



Daily Report

LAST ISSUE

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LAST ISSUE

China

FBIS-CHI-96-144
Thursday
25 July 1996

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Daily Report

China

FEIS-CHI-96-144

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General

PRC: Qian Qichen Addresses ASEAN Regional Forum

OW2407122396 Beijing XINHUA Domestic Service
in Chinese 1327 GMT 23 Jul 96

[FBIS Translated Text] Jakarta, 23 Jul (XINHUA) — Speaking at the third ASEAN Regional Forum [ARF] meeting here today, Qian Qichen, Chinese State Council vice premier and foreign minister, said that the Asia-Pacific region has entered a period of lasting peace and development.

He said: Four factors have mainly contributed to the realization of lasting peace and development in the Asia-Pacific region:

First, the Asia-Pacific region, East Asia in particular, enjoys robust economic development. Since all countries have taken economic development as their primary task, maintaining a peaceful environment conducive to economic development has become the greatest common interest of countries in the region.

Second, the greatly strengthened intraregional economic links and the ever-growing interaction and interdependence among states have laid a solid economic foundation for regional security.

Third, the bloc confrontations and local conflicts typical of the Cold War no longer exist in this region, and coordination and cooperation among states are becoming the mainstream.

Fourth, the old and new problems in this region have been basically brought under control, and dialogue and negotiation have become the main instrument for handling disputes between states.

Qian Qichen expressed the belief that the above-mentioned factors would have a long-term effect and that peace and stability in the Asia-Pacific region can be maintained for a long time to come.

He said: In keeping with the current trend of the times and in light of the characteristics of the Asia-Pacific region, "we call for increasing mutual understanding and mutual trust through dialogue and consultation, and for promoting regional security and consolidating political security through broader and deeper economic contact and cooperation, joint participation, and close cooperation." He maintained that ARF has provided its members with a good opportunity to increase trust and cooperation.

Qian Qichen said: As a country in the Asia-Pacific region, China attaches great importance and pays close attention to the region's security environment, and is con-

sistently committed to expanding dialogue and cooperation with other countries. China owes its rapid, healthy economic development over the past decade and so to the stable, tranquil regional environment. China's economic development and prosperity have, in turn, contributed to the region's stability and prosperity. Economic development and the improvement of people's living standards are the long-term tasks facing China. While continuing to work actively for regional peace and development, China will fulfill its responsibilities and obligations as a major power. China's economic development poses no threat to any country. On the contrary, if China, a country of 1.2 billion people, was bogged down in poverty and chaos, that would have an adverse effect on regional stability.

He said: China attaches importance to enhancing mutual understanding and promoting mutual trust with the other Asia-Pacific countries. To this end, China has conducted extensive political dialogues and military exchanges with many ARF members. Last November, China issued a white paper entitled "China's Arms Control and Disarmament." In April this year, China signed with Russia, Kazakhstan, Kyrgyzstan, and Tajikistan an "Agreement on Confidence-Building in the Military Field in the Border Areas." This agreement, instead of targeting at any third country, highlights good-neighborliness, friendship, and stronger political trust. The signing of this agreement has exerted a positive influence on the maintenance and further strengthening of peace and stability in the Asia-Pacific region.

He stated: China is ready to work with neighboring countries to jointly explore and gradually work out appropriate confidence-building measures on the basis of mutual respect and equality. As a forum designed to increase mutual trust among its members, ARF may as well encourage countries with common borders to adopt appropriate confidence-building measures on a bilateral basis.

Qian Qichen reiterated: China has always stood for the settlement of disputes concerning sovereignty and maritime rights and interests through peaceful negotiations with relevant countries, and has worked actively to this end. In May this year, China's National People's Congress ratified the UN Convention on the Law of the Sea. At the same time, the Chinese Government announced the baselines for parts of its territorial sea, thus creating better conditions for negotiations and consultations between China and the relevant countries. China stands for "shelving the disputes in favor of joint development" pending a solution, and has conducted consultations with the Philippines, Vietnam, and Malaysia, achieving constructive results in this regard. The current situation in the Nansha [Spratly] area is stable.

On the issue of nuclear testing, Qian Qichen said: To respond to the pleas of the vast number of non-nuclear-weapon states and to push ahead Comprehensive Test Ban Treaty negotiations, the Chinese Government has announced its plan to impose a moratorium on nuclear testing after September this year. China has solemnly undertaken not to be the first to use nuclear weapons at any time and under any circumstances, and it has unconditionally undertaken not to use or threaten to use nuclear weapons against non-nuclear-weapon states and nuclear-free zones. China has also consistently stood for the complete prohibition and thorough destruction of all nuclear weapons. The aforementioned policies of China conform to the interests of non-nuclear-weapon states and truly serve the security of non-nuclear-weapon states and nuclear-free zones.

Qian Qichen spoke highly of ARF's role. He said: Over the past two years, forum members have increasingly deepened dialogue and gradually increased consensus in an atmosphere of coordination and understanding. This fully shows that the forum plays an important role in promoting mutual understanding, enhancing mutual trust, and maintaining regional peace and stability, and is becoming the major channel for multilateral security dialogue and cooperation in the Asia-Pacific region. China endorses the specific proposals for future activities put forward at the senior officials meeting, and will take an active part in forum activities and continue to play a constructive role.

Qian Qichen expressed the belief that so long as the forum gives full consideration to the region's diversity, maintains its nature and rules of procedure, and proceeds in an orderly and step-by-step manner on the basis of the common interests and needs of its members and in the spirit of reaching unanimity through consultation and seeking common ground while reserving differences, it will play an increasingly important role in maintaining regional peace and stability.

Qian Qichen thanked the forum for agreeing to let China and the Philippines co-sponsor a meeting on confidence-building measures in Beijing next year. He said: It will be the first official, multilateral international conference on security issues hosted by China. Through the joint efforts of China and the Philippines and the energetic cooperation of other forum members, the Beijing meeting will be a complete success.

Qian Qichen also suggested that the forum conduct dialogue on defense conversion and begin discussions on the issue of comprehensive security cooperation at an appropriate time.

PRC: Beijing Seeks Intensified Effort for Chemical Weapons Ban

OW2407170796 Beijing XINHUA in English
1653 GMT 24 Jul 96

[FBIS Transcribed Text] The Hague, July 24 (XINHUA) — China today called on relevant countries to intensify their efforts to bring into force as soon as possible a major international agreement on banning chemical weapons.

China also called for the comprehensive and effective implementation of the Convention on Chemical Weapons adopted in Paris in 1993 and aimed at banning the development, production, stockpiling and use of chemical weapons and destroying those in existence.

Some 160 countries have signed the convention, but so far only 60 have ratified it. The convention will come into force after it has been ratified by 65 countries.

Speaking in the Hague at the 14th session of the Preparatory Commission of the OPCW (Organization for the Prohibition of Chemical Weapons) to implement the convention, Huang Yu, head of the Chinese delegation, said China is a country with a significant chemical industry and has on its territory large quantities of chemical weapons abandoned by a foreign state.

"For China, the implementation of the Convention will certainly be an arduous task. The Chinese government attaches great importance to the ratification and implementation of the Convention...and remarkable progress has been achieved," he said.

"Despite the difficulties we have," he said, "China is going to further step up its efforts for the early deliberation and ratification of the Convention by its legislative body, the Standing Committee of the National People's Congress."

China noted that as of today the two declared chemical weapons possessors, Russia and the United States, had given no clear commitment as to the timing of their ratifications and neither was there any clear indication of the prospects of implementation of their bilateral agreement on the destruction of chemical weapons, he said.

"We would regret to see this Convention being reduced from one of genuine disarmament to that of mere non-proliferation and being deprived of its intended significance due to failure on the part of the two declared chemical weapon states to ratify," he said.

Huang said that in May and June this year, Japan, with China's full cooperation, completed the fourth

on-site investigation of chemical weapons burial sites abandoned by the former Japanese army.

China welcomes this progress and earnestly hopes that the investigation will expedite Japan's efforts to develop its destruction plan and finalize its destruction programs, he said.

However, the Chinese side is not satisfied with the findings of the Japanese investigation, since it was "preliminary."

Data obtained on the quantity of abandoned chemical weapons was "neither complete nor accurate," and results of the environment analysis did not conform with reality, Huang said.

"We insist that when the Japanese side submits to the Secretariat of the Preparatory Commission relevant information acquired in the investigation, or make public the findings of the investigations, it should exercise prudence and respect the facts so as not to cause any misunderstanding or damage to the cooperation of both parties," Huang said.

He concluded that the Chinese delegation has, as always, participated in the work of the Preparatory Commission in a "positive and earnest way."

"We will continue to participate in the negotiations in a practical and cooperative spirit and make our due contributions to the completion of the work of the Preparatory Commission," he said.

The Preparatory Commission, which was set up in the Hague in February 1993, has established certain procedures for the implementation of the Convention and for a future Organization for the Prohibition of Chemical Weapons.

PRC: Spokesman Denies Reported Missile Technology Sales to Syria

OW2507054596 Hong Kong AFP in English
0520 GMT 25 Jul 96

[FBIS Transcribed Text] Beijing July 25 (AFP) — China's Foreign Ministry on Thursday criticised as "unfounded and irresponsible" a US newspaper report that it had sold missile technology to Syria.

"The report on China's sale of M-11 missiles and its components to Syria is entirely unfounded and also irresponsible," said a Foreign Ministry spokesman.

US officials Tuesday said they were "looking into" a Washington Times report the same day saying the Central Intelligence Agency (CIA) believes the Chinese manufacturer of M-11 missiles sent a shipment of components to Syria last month.

State Department spokesman Nicholas Burns did not confirm the report, but said: "Whenever allegations are made of a serious nature, we look into them."

If true, the sale could be in violation of the Missile Technology Control Regime (MTCR), which seeks to curb the proliferation of missile technology, Burns said.

According to the newspaper report, the CIA detected the delivery in early June from the China Precision Machinery Import-Export Corporation.

Beijing pledged in 1994 to abide by the MTCR in an agreement it signed with Washington.

PRC: Beijing Urges Comprehensive Ban on Chemical Weapons

OW2507081796 Beijing XINHUA in English
0744 GMT 25 Jul 96

[FBIS Transcribed Text] The Hague, July 24 (XINHUA) — China today called on relevant countries to intensify their efforts to bring into force as soon as possible a major international agreement on banning chemical weapons.

China also called for the comprehensive and effective implementation of the Convention on Chemical Weapons adopted in Paris in 1993 and aimed at banning the development, production, stockpiling and use of chemical weapons and destroying those in existence.

Some 160 countries have signed the convention, but so far only 60 have ratified it. The convention will come into force after it has been ratified by 65 countries.

Speaking in the Hague at the 14th session of the Preparatory Commission of the OPCW (Organization for the Prohibition of Chemical Weapons) to implement the convention, Huang Yu, head of the Chinese delegation, said China is a country with a significant chemical industry and has on its territory large quantities of chemical weapons abandoned by a foreign state.

"For China, the implementation of the Convention will certainly be an arduous task. The Chinese government attaches great importance to the ratification and implementation of the Convention...and remarkable progress has been achieved," he said.

"Despite the difficulties we have," he said, "China is going to further step up its efforts for the early deliberation and ratification of the Convention by its legislative body, the Standing Committee of the National People's Congress."

China noted that as of today the two declared chemical weapons possessors, Russia and the United States, had given no clear commitment as to the timing of their

ratifications and neither was there any clear indication of the prospects of implementation of their bilateral agreement on the destruction of chemical weapons, he said.

"We would regret to see this Convention being reduced from one of genuine disarmament to that of mere non-proliferation and being deprived of its intended significance due to failure on the part of the two declared chemical weapon states to ratify," he said.

Huang said that in May and June this year, Japan, with China's full cooperation, completed the fourth on-site investigation of chemical weapons burial sites abandoned by the former Japanese army.

China welcomes this progress and earnestly hopes that the investigation will expedite Japan's efforts to develop its destruction plan and finalize its destruction programs, he said.

However, the Chinese side is not satisfied with the findings of the Japanese investigation, since it was "preliminary."

Data obtained on the quantity of abandoned chemical weapons was "neither complete nor accurate," and results of the environment analysis did not conform with reality, Huang said.

"We insist that when the Japanese side submits to the Secretariat of the Preparatory Commission relevant information acquired in the investigation, or make public the findings of the investigations, it should exercise prudence and respect the facts so as not to cause any misunderstanding or damage to the cooperation of both parties," Huang said.

He concluded that the Chinese delegation has, as always, participated in the work of the Preparatory Commission in a "positive and earnest way."

"We will continue to participate in the negotiations in a practical and cooperative spirit and make our due contributions to the completion of the work of the Preparatory Commission," he said.

The Preparatory Commission, which was set up in The Hague in February 1993, has established certain procedures for the implementation of the Convention and for a future Organization for the Prohibition of Chemical Weapons.

PRC: Envoy Calls For Early Implementation of Weapons Convention

OW2507023896 Beijing, XINHUA in English
0217 GMT 25 Jul 96

[FBIS Transcribed Text] The Hague, July 24 (XINHUA) — China today called for concrete measures and

intensified efforts by relevant countries to make a comprehensive and effective implementation of the Convention on Chemical Weapons.

Speaking at a session of the Organization for the Prohibition of Chemical Weapons Preparatory Commission, Huang Yu, head of the Chinese delegation, said that China is a country with a significant size of chemical industry and has on its territory large quantities of chemical weapons abandoned by a foreign state.

"For China, the implementation of the Convention will certainly be an arduous task," Huang said.

But "the Chinese government attaches great importance to the ratification and implementation of the Convention. A great deal of preparatory work has been carried out by relevant governmental agencies and remarkable progress has been achieved."

Moreover, he continued, "China is going to further step up its efforts for the early deliberation and ratification of the Convention by its legislative body, the Standing Committee of the National People's Congress."

On the other hand, the official voiced his disappointment that as of today the two declared chemical weapon possessors had given no clear commitment as to the timing of their ratifications, nor has there been any clear indication of the prospects of implementation of their bilateral agreement on the destruction of chemical weapons.

The Chinese official told the meeting that from May to June this year, Japan, with full cooperation of China, had completed the fourth on-site investigation of the burial sites of chemical weapons abandoned by Japanese aggressor troops in World War II.

He declared that China welcomes the progress and earnestly hopes that the investigation would expedite Japan's efforts to develop destruction plan and finalize destruction programs.

In the meantime, he also expressed China's dissatisfaction about the findings of the Japanese investigation, pointing out that the investigation conducted was still "preliminary" and data obtained on the quantity of abandoned chemical weapons was "neither complete nor accurate," and results of the environment analysis did not conform with the reality.

"We insist that when the Japanese side submits to the Secretariat of the Preparatory Commission relevant information acquired in the investigations or make public the findings of the investigations, it should exercise prudence and respect the facts so as not to cause any misunderstanding or damage to the cooperation of both parties," the official stressed.

He concluded that the Chinese delegation had, as always, participated in the work of the Preparatory Commission in a "positive and earnest way."

"We will continue to participate in the negotiations in a practical and cooperative spirit and make our due contributions to the completion of the work of the Preparatory Commission," he said.

Since it was opened for signature on January 13, 1993 in Paris, 160 States have signed the Convention on Chemical Weapons, or the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction.

Up to now 60 countries have ratified the Convention, which will go into force 180 days after it has been ratified by 65 countries.

In the meantime, the Preparatory Commission, which was set up in the Hague in February 1993, has established certain procedures for the implementation of the Convention and for a future Organization for the Prohibition of Chemical Weapons.

PRC: Development of Sino-ASEAN Relations Outlined

OW2407113996 Beijing XINHUA in English
1051 GMT 24 Jul 96

[By Hu Guangyao, Zhao Jinchuan]

[FBIS Transcribed Text] Jakarta, July 24 (XINHUA) — China's relations with the Association of Southeast Asian Nations (ASEAN) have entered a new stage with China participating in the Post Ministerial Conference (PMC) of the 29th ASEAN Ministerial Meeting (AMM) for the first time as a full Dialogue Partner.

Foreign Ministers of the seven ASEAN member countries welcomed China, India and Russia, three major powers which have an important role in maintaining peace and stability in the region, as ASEAN's new Dialogue Partners.

Ali Alatas, chairman of the 29th AMM told Chinese Vice Premier and Foreign Minister Qian Qichen that the Dialogue Partnership for China will generate greater cooperation between ASEAN and China.

At today's PMC meeting, Qian said that to develop long-term, good neighborly and friendly relations with ASEAN is an important component of China's foreign policy. With joint efforts, the cooperation between the two sides has made substantial progress in all fields.

China and ASEAN are both new and rising forces and developing countries in Asia.

Politically, the two sides have maintained frequent exchanges of high-level visits. Meanwhile, the two sides have established a system of regular senior official consultations which had effectively enhanced understanding and mutual trust.

The two sides have also increased coordination and mutual support as they have common and identical views on many international and regional issues.

On regional security cooperation, China made its basic stand known on the Nansha [Spratly] question, expressing its willingness to resolve disputes through peaceful means in accordance with the principles defined in international laws including the 1982 UN Convention on the International Law of the Sea.

ASEAN countries have appreciated China's stand and its efforts for resolving regional disputes.

Qian said that China will continue its support for an active participation in the ASEAN Regional Forum (ARF) so as to enhance security cooperation in the region.

Economically, the two sides also enjoyed a satisfactory cooperation. Since the end of 1980's, bilateral trade has grown at an average annual rate of 20 percent, approaching 20 billion US dollars in 1995, a 40 percent increase compared with that of 1994. ASEAN has become the sixth largest trade partner of China.

The two sides have also conducted fruitful and mutually beneficial cooperation in the areas of banking, project contract and labor contract.

Meanwhile, the China-ASEAN Joint Economic and Trade Committee and the China-ASEAN Scientific and Technological Committee have been established, giving a boost to bilateral and multilateral cooperation in the fields of trade, science and technology.

An ASEAN official participating in the current ASEAN meeting believed that Dialogue Partnership for China will not only promote Sino-ASEAN cooperation in various fields but also help increase ASEAN's impact on the world affairs as China is the largest developing nation in the world and a major power in Asia.

Chinese and ASEAN officials here expressed their hope that with the new century around the corner, a China-ASEAN partnership of good neighborliness and mutual trust, a partnership oriented towards the 21st century will be established with joint efforts.

United States & Canada**PRC: U.S., Beijing Agree on High-Level Exchanges; Moot CTBT***OW2407163596 Tokyo KYODO in English
1608 GMT 24 Jul 96*

[By Tim Johnson]

[FBIS Transcribed Text] Jakarta, July 24 KYODO - In a fresh sign of improved relations between Washington and Beijing, U.S. Secretary of State Warren Christopher and Chinese counterpart Qian Qichen on Wednesday mapped out a series of high-level diplomatic exchanges through the rest of the year.

Christopher and Qian, who met in Jakarta during a series of annual meetings under the auspices of the Association of Southeast Asian Nations (ASEAN), also discussed international efforts to clinch a deal by September on a treaty banning all nuclear weapons tests.

But U.S. officials said Qian failed to reveal in the talks whether China would accept a recent draft of the proposed Comprehensive Test Ban Treaty (CTBT) that was publicly endorsed Tuesday by the United States and Russia.

Qian told a press conference that he and Christopher agreed that the latter would visit Beijing in November, while Chinese Defense Minister Chi Haotian would visit Washington within the year at the invitation of U.S. Defense Secretary William Perry.

A senior U.S. official, speaking on condition of anonymity, said Christopher's visit might take place just before a visit by President Bill Clinton to Manila for an annual summit of the Asia-Pacific Economic Cooperation (APEC) forum, while Chi's visit would likely take place in December.

Qian said they also agreed that three joint commissions would meet in Washington before the year's end, including those on dealing with the economy, commerce and trade, and science and technology.

In addition, toward the end of the year, China's National Security Adviser Liu Huaqiu, who is also a vice foreign minister, will visit Washington.

The boosting of high-level contacts between the two countries comes in the wake of a recent fence-mending trip to Beijing by presidential National Security Adviser Anthony Lake.

Asked about the possibility of top-level visits in the foreseeable future, Qian said no "specifics" were discussed with Christopher since the U.S. faces a presidential election in November.

Washington is reportedly considering a visit to China next year by Vice President Al Gore, and possibly a subsequent one by President Bill Clinton, if they win reelection in November.

A senior U.S. official said Christopher explained the substance of a joint statement issued Tuesday by him and Russian Foreign Minister Yevgeni Primakov in Jakarta in which they announced their governments' preparedness to support the CTBT draft proposed June 28 by Dutch Diplomat Jaap Ramaker, chairman of Geneva Disarmament Talks.

Christopher told Qian that the U.S. and Russia had come to the same conclusion that, despite some reservations about imperfections in the text of the draft, "We didn't want the best to be the enemy of the good."

He noted a danger "that if everyone began to open up the text to revisions, the process could unravel or at least be greatly delayed."

The Chinese, the official said, "were not prepared to say they could accept the present text without change." But he said that nor did they "rule anything out or anything in."

"They indicated the need for people to show flexibility, but that wasn't further defined," he said.

Qian told reporters merely that there would be further bilateral consultations on the CTBT between the Chinese and U.S. permanent missions in Geneva, where negotiations among concerned parties are set to reopen Monday.

"It is our hope that we can reach an agreement as soon as possible so that the CTBT will be ready and open for signature in September when the U.N. General Assembly meeting is held," he said.

Qian said Christopher provided him with an "explanation" regarding the status of last April's proposal by the U.S. and South Korea for four-party talks between U.S., China, and North and South Korea aimed at achieving peace and stability on the Korean peninsula.

A senior U.S. official said Qian, in response, merely stressed that what is really important is for the two Koreas to talk to each other, though he added that China and the U.S. could be in a supporting role.

"That is precisely our position as well," the official said, indicating that China has implicitly supported the proposal.

Christopher was also said to have raised U.S. concerns about human rights, the future of Hong Kong under Chinese rule after 1997, and China's dealings with

Iran and Pakistan in respect to nuclear nonproliferation issues.

Qian received assurances from Christopher of U.S. adherence to a "one-China policy" with respect to Taiwan, but was told that Washington wants to see peaceful resolution of the issues between China and Taiwan achieved through resumption of dialogue.

The two also had a brief discussion on the World Trade Organization (WTO) and China's desire to become its member.

Christopher was quoted as reiterating the U.S. position that it welcomes Chinese membership in the WTO "as long as they make a commercially sound proposal, which they haven't done yet."

Qian, in earlier remarks to reporters just ahead of the meeting with Christopher, which is the 14th so far between the two, hailed the "positive progress" that has recently been achieved in the Sino- U.S. relationship.

He cited Clinton's renewal of China's Most-Favored-Nation (MFN) status, the negotiated resolution of the two countries' dispute over Chinese exports to Pakistan of ring magnets for making nuclear fuel, and their agreement on protection of intellectual property rights.

"This shows that, in spite of the disagreements and contradictions of this kind and that between China and the U.S., our common interests outweigh our differences," he said.

PRC: Spokesman: Qian-Christopher Talks Yield Positive Results

OW2407164196 Beijing XINHUA in English
1612 GMT 24 Jul 96

[FBIS Transcribed Text] Jakarta, July 24 (XINHUA) — The talks between Chinese Vice Premier and Foreign Minister Qian Qichen and U.S. Secretary of State Warren Christopher here today yielded positive results, a Chinese Foreign Ministry spokesman said.

According to the spokesman, agreements on exchanges of a series of high-level visits were reached at the two ministers' talks.

Under the agreements, Christopher will pay a visit to China in November this year at the invitation of Qian Qichen, while Chinese State Councilor and Defense Minister Chi Haotian will visit the United States within this year.

Meanwhile, the spokesman said, three Sino-U.S. Joint committees on science and technology, commerce and trade as well as economy will hold meetings separately in the United States in the second half of this year.

The two sides also agreed that Director of Foreign Affairs Office of the Chinese State Council Liu Huaqiu will visit the United States this year at the invitation of Anthony Lake, Special Assistant to the U.S. President for National Security Affairs.

PRC: Qian Qichen Reiterates Need for 'Mutual Respect'

OW2407180796 Beijing XINHUA Domestic Service
in Chinese 1616 GMT 24 Jul 96

[By reporters Hu Guangyao, Zhao Jinchuan, and Hong Bingmingy]

[FBIS Translated Text] Jakarta, 24 Jul (XINHUA) — Qian Qichen, Chinese vice premier and foreign minister, who is attending the ASEAN and dialogue partners conference here, met with U.S. Secretary of State Warren Christopher for one and a half hours here this afternoon. Both sides exchanged views on Sino-U.S. relations and other issues.

Both sides reviewed the development of Sino-U.S. relations in the recent period. Both sides held that although some differences remained between China and the United States, the common interests of the two countries are more important than the differences between them. Both sides should proceed from the overall interest of Sino- U.S. relations, get hold of the common interests of the two countries, and treat [kan dai 4170 1769] and handle Sino-U.S. relations with a strategic vision and a long-range viewpoint.

The Chinese side stressed that mutual respect for sovereignty and territorial integrity and non-interference in each other's internal affairs constitutes the key to handling well Sino-U.S. relations. The Taiwan issue is always the most sensitive [zui min gan 2584 2404 1949] and most important issue in Sino-U.S. relations, because it has a direct impact on the ups and downs [hao huai 1170 0975] of Sino-U.S. relations. In order to prevent the Taiwan issue from affecting the improvement and development of bilateral relations, the principles defined in the three Sino-U.S. Joint Communiques must be strictly observed. The U.S. side reiterated that the U.S. Government will continue to pursue a "one China" policy and scrupulously abide by the principles in the three joint communiques.

Both sides held that some positive progress [ji ji jin zhan 4480 2817 6651 1455] has been made in Sino-U.S. relations recently, and the relations between the two countries are now facing a new opportunity for development. Both sides should seize this favorable opportunity, adopt a constructive attitude, make common efforts to reduce differences and troubles and to expand

consensus and cooperation so as to enable Sino-U.S. relations to develop in a healthy and stable way.

Both sides discussed the question of strengthening bilateral exchanges between China and the United States and reached the following agreements:

U.S. Secretary of States Christopher will pay a visit to China in November this year at the invitation of Qian Qichen, while Chinese State Councillor and Defense Minister Chi Haotian will visit the United States within this year at the invitation of U.S. Secretary of Defense William Perry.

The Sino-U.S. joint committees on science and technology, commerce and trade as well as economy will hold meetings separately in the United States in the second half of this year.

Director of Foreign Affairs Office of the Chinese State Council Liu Huaqiu will visit the United States this year at the invitation of Anthony Lake, Special Assistant to the U.S. President for National Security Affairs.

The foreign ministers of the two countries held that maintaining normal, stable, and healthy economic and trade relations between China and the United States accords with the fundamental interest of the people of the two countries and also benefits the development and prosperity of the world's economy. Both sides should make common efforts to promote Sino-U.S. economic and trade cooperation on the basis of equality, mutual benefit and long-term stability.

The foreign ministers of the two countries also exchanged views on global and regional issues of common concern. Both sides held that the meeting between them was positive, constructive, and fruitful.

Before the two foreign ministers met, Qian Qichen and Christopher met with reporters together. Answering a reporter's question on Sino-U.S. relations, Qian Qichen said in recent months, some positive progress has been made in Sino-U.S. relations. At present, Sino-U.S. relations are facing a new opportunity for development. The positive factors in the relations between the two countries have increased, but of course, there exist some differences that need to be resolved.

He held that both sides should seize the current favorable opportunity, adopt a constructive attitude, reduce troubles, and develop cooperation. Scrupulously abiding by the principles defined the three joint communiques on Sino-U.S. relations remains the fundamental guarantee for the development of Sino-U.S. relations in a healthy and stable way.

Qian Qichen pointed out: "So long as both sides proceed from the overall interest of Sino-U.S. relations, get hold

of the common interests of the two countries, treat and handle Sino-U.S. relations with a strategic vision and a long-range viewpoint, and appropriately handle differences between the two sides, Sino-U.S. relations will improve and develop."

PRC: Qian Qichen, Christopher Discuss Issues in Bilateral Ties

OW2507082296 Beijing XINHUA in English
0759 GMT 25 Jul 96

[FBIS Transcribed Text] Jakarta, July 24 (XINHUA) — Chinese Vice Premier and Foreign Minister Qian Qichen told US Secretary of State Warren Christopher here today that the Taiwan issue is the most important one in Sino-American relations, to which the key lies in mutual respect for sovereignty and territorial integrity and mutual non-interference.

The common interests of China and the United States outweigh their differences and both sides should treat and handle Sino-US relations with strategic foresight and from a long-term point of view, Qian and Christopher agreed at their talks, according to a Chinese Foreign Ministry spokesman.

Qian said the key to dealing with Sino-US relations is mutual respect for sovereignty and territorial integrity and non-interference in each other's internal affairs.

The Taiwan issue has always been the most sensitive and important one in the relations between China and the United States, which has a direct bearing on the Sino-US relationship, said the Chinese foreign minister who is attending the ASEAN Post Ministerial Conference along with other ASEAN Dialogue Partners.

He said the principles defined in the three Sino-US joint communiques should be strictly adhered to so as not to allow the Taiwan question to hinder the improvement and development of bilateral relations.

Christopher reiterated that the US government will continue to pursue the "One China Policy" and comply with the principles of the three Sino-US joint communiques.

The two sides held that some positive progress has been made recently in the relations between China and the United States and there are emerging new opportunities for the development of the Sino-US relationship.

The two sides should seize these opportunities, adopt constructive attitudes and work together to reduce differences and troubles, and seek more common ground and extend cooperation in the interest of a healthy and stable development of the Sino-US relations.

The two sides agreed that a normal, stable and healthy economic and trade relationship between the two countries is in keeping with the fundamental interests of the two peoples and the development and prosperity of the world economy. Bilateral economic and trade cooperation, therefore, should be boosted on the basis of equality and mutual benefit and long-term stability.

The two ministers also exchanged views on global and regional issues of mutual concern.

PRC: Qian Qichen: 'Positive Progress' in Sino-U.S. Relations

OW2407133296 Beijing XINHUA in English
1140 GMT 24 Jul 96

[FBIS Transcribed Text] Jakarta, July 24 (XINHUA) — Chinese Vice Premier and Foreign Minister Qian Qichen and US Secretary of State Warren Christopher agreed here today that positive progress has been made in recent months in Sino-US relations.

At a joint press briefing before they started their bilateral talks, Qian said the relations between the two countries are facing new opportunities for development.

However, there still exist some differences that have to be resolved in a serious manner, he said.

Qian said both sides should seize the current favorable opportunities, adopt constructive attitudes and reduce troubles and develop cooperation.

Qian expressed the hope that his meeting with Christopher would generate progress in promoting Sino-US relations.

Christopher said he looked forward to discussing with his Chinese counterpart how to strengthen high-level contacts that are important for achieving common objectives.

Northeast Asia

PRC: Foreign Ministry Spokesman Discusses Diaoyutai Issue

OW2407140796 Beijing XINHUA in English
1350 GMT 24 Jul 96

[FBIS Transcribed Text] Beijing, July 24 (XINHUA) — China has always held that it should settle its disputes with Japan regarding the issue of Diaoyu Island [Senkaku in Japanese] through friendly consultations, a foreign ministry spokesman said here today.

Chinese officials hope that the two countries will show restraint and not create any controversy before the issue is solved, the spokesman said.

Diaoyu Island and adjacent islands have been an intrinsic part of the Chinese territory since ancient times, the spokesman said, adding that the Chinese stand is indisputable both from an historic standpoint and in view of international law.

Asked to comment on the Japanese foreign minister's recent claim that Diaoyu Island is an intrinsic part of Japanese territory, the Chinese spokesman confirmed that there is a dispute between China and Japan over the issue.

"We have taken note of the response from concerned parties of Taiwan and the public in regard to the issue," the spokesman said, when asked to comment on the appeals from some people in Taiwan to safeguard China's sovereignty over Diaoyu Island.

The spokesman said that China's position on the Diaoyu Island issue is clear, and reflects the interests of all the Chinese people, including the compatriots in Taiwan.

PRC: Spokesman on Taiwan Position on Disputed Islands

OW2407142496 Beijing XINHUA Domestic Service
in Chinese 1256 GMT 24 Jul 96

[FBIS Translated Text] Beijing, 24 Jul (XINHUA) — A Foreign Ministry Spokesman said today that China has always stood for resolving the existing dispute between China and Japan over the Diaoyu Islands [Senkakus in Japanese] through friendly consultations.

The spokesman made the above remark when answering a reporter's question.

A reporter asked: Recently, the Japanese foreign minister openly claimed that the Diaoyu Islands have always been Japan's territory. What is the Foreign Ministry's comment on this?

The spokesman replied: The Diaoyu Islands and the nearby islets have been China's territory since ancient times. This position of the Chinese side is irrefutable, whether from a historical viewpoint or within the context of international law. The existing dispute between China and Japan over this issue is an objective fact. We have always stood for seeking resolution through friendly consultations. It is hoped that both sides will maintain restraint prior to resolution and that neither side will create disturbances [zhi zao shi duan 0455 6644 0057 4551].

A reporter asked: A relevant Taiwan official called on both sides of the strait to cooperate on the issue of defending sovereignty over the Diaoyu Islands and to be united in countering incursions [ru qin 0354 0187] by outside forces. What is your reaction to this?

The spokesman replied: The Diaoyu Islands belong to China. It is a historical fact. This position of China is irrefutable from the angle of international law.

We have taken note of the reactions of the relevant quarters and people in Taiwan over the issue of the Diaoyu Islands. Our position over the issue of the Diaoyu Islands is clear and consistent [ming que di, yi guan di 2494 4292 4104 0001 6306 4104]. It represents the interests of all Chinese people, including the Taiwan compatriots.

PRC: Spokesman: Chinese Claim to Islands 'Indisputable'

OW2507060796 *Beijing Central People's Radio Network in Mandarin 1030 GMT 24 Jul 96*

[From the "National Hookup"]

[FBIS Translated Text] The Foreign Ministry spokesman answered reporters' questions today.

A reporter asked: Recently the Japanese Foreign Minister openly asserted that the Diaoyu Dao [Senkaku] Islands are Japan's indigenous territory. Does the Foreign Ministry have any comment on this?

The spokesman replied that Diaoyu Dao and islands in its vicinity have been China's indigenous territory since ancient times. This position of the Chinese side is indisputable, no matter whether it is viewed from the angle of history or international law.

Another reporter asked: Some Taiwan personalities concerned have called for cooperation between the two sides of the strait in defending the sovereignty of the Diaoyu Dao and dealing with external encroachment in unity. What is the mainland's reaction to this?

The spokesman answered that we have noticed reactions to the Diaoyu Dao issue in concerned quarters and people in Taiwan. Our position toward the Diaoyu Dao is clear and consistent, and it represents the interests of all the people of China, including the Taiwan compatriots.

PRC: Tokyo Supports Early Entry to World Trade Organization

OW2407174196 *Beijing XINHUA in English 1729 GMT 24 Jul 96*

[FBIS Transcribed Text] Tokyo, July 23 (XINHUA) — Japan will support China's membership of the World Trade Organization (WTO), Prime Minister Ryutaro Hashimoto told China's Minister of Foreign Trade and Economic Cooperation Wu Yi today.

Hashimoto conveyed Japan's hope of China's early accession to the world trade watchdog during Wu Yi's

courtesy call at his official residence, a Chinese official said.

Wu hoped that discussions at a seminar on the WTO in Japan this October will contribute to the organization's final acceptance of China as a member.

Wu was attending a regular Sino-Japanese consultation on promoting Japanese investment in China.

Speaking at the opening of the meeting Monday, Wu said China is doing its utmost to improve the environment for foreign investment through continued economic and foreign trade reforms.

She hoped Japan will retain its status as China's biggest trading partner and urged more Japanese investment in China.

On Monday, Wu met Japanese International Trade and Industry Minister Shumpei Tsukahara for talks on exports of Chinese-made textiles and other bilateral trade issues.

PRC: Wu Yi Assures Japan About Investment Environment

OW2407115596 *Beijing XINHUA Domestic Service in Chinese 1336 GMT 23 Jul 96*

[FBIS Translated Text] Tokyo, 23 Jul (XINHUA) — The two-day sixth joint meeting of the China-Japan Investment Promotion Committee and Japan-China Investment Promotion Organization closed in Tokyo today. Over 200 persons concerned from China and Japan attended the meeting.

Delivering a keynote speech at the meeting on 22 July, Wu Yi, Chinese minister of foreign trade and economic cooperation and president of the China-Japan Investment Promotion Committee, said: Recently, China has greatly stepped up the pace of building a socialist market economic structure; it has not only maintained an appropriate economic growth rate, but also has attached importance to improving quality, efficiency, and prestige; therefore, the investment environment for foreign businesses has been constantly improved.

Wu Yi noted: As China continues to deepen and further reform and opening up, the following characteristics in foreign business investment in China can be observed: First of all, foreign business investment in China has increased steadily; the investment has achieved markedly intensive growth and the average scale of invested projects has continued to grow. Moreover, the use of foreign investments has become more rational and industrial structure has been further improved. Infrastructure projects, in particular, continue to be the hot spots of foreign investments. Secondly, the sources

of foreign investments have multiplied. Investments from Japan, Singapore, Korea, the United States, and West European countries have grown significantly. The ways of using direct foreign investments have also diversified.

Wu Yi said: "Between January and June in 1996, the amount of investment committed by foreign businesses has reached \$45.618 billion and \$19.768 billion has actually been put into use, up by 46.3 percent and 20.2 percent from the same period last year, respectively. By the end of last June, the number of foreign-invested enterprises has amounted to 273,325 in China, 120,000 of them are in operation. The number of staff and workers in foreign-invested enterprises stands at 17 million. A total of \$441.73 billion in foreign investments has been committed and \$154.635 billion is actually in use.

During the meeting, both sides also exchanged views on the issues including the reform of China's foreign exchange system, taxation system, social insurance system, and the policy for reinvigorating central and western China.

PRC: Qian, ROK Counterpart Pledge Closer Relations

OW2507033696 *Beijing XINHUA in English*
0322 GMT 25 Jul 96

[FBIS Transcribed Text] Jakarta, July (XINHUA) — Chinese Vice Premier and Foreign Minister Qian Qichen and South Korean Foreign Affairs Minister Kong No-myong today expressed the hope for a further development of the bilateral relations between the two countries.

At a breakfast meeting here this morning, the two ministers expressed satisfaction with the development of the bilateral ties since the establishment of diplomatic relations between the two countries four years ago.

They agreed on the expansion of the political, economic and cultural cooperation through maintaining high-level exchange of visits, specially the good cooperation between Foreign Ministries of the two countries.

On the Sino-South Korean fisheries agreement, Qian said that negotiations should be continued on the basis of related international laws.

He said that the two sides should make efforts to reach an agreement on the issue as early as possible by reducing differences through friendly consultations.

The two sides expressed satisfaction over the progress made by the informal consultations between the two countries over the delimitation of sea line.

They also exchanged views on other regional issues of mutual interest.

The two ministers are in Jakarta attending the third meeting of the ASEAN Regional Forum and the ASEAN Post Ministerial Conference which will be concluded today.

China and South Korea are among the 10 dialogue partners of the Association of Southeast Asian Nations (ASEAN).

PRC: Shanghai Mayor Meets ROK Delegation

OW2507085696 *Shanghai People's Radio Network*
in Mandarin 2300 GMT 21 Jul 96

[From the "990 Morning News" program]

[FBIS Translated] On the afternoon of 21 July, Mayor Xu Kuangdi met with South Korean Pusan City Council delegation headed by speaker Pak Tong-il at the City Government's Guest Hall.

Xu Kuangdi briefed the Korean guests on Shanghai's economic development in recent years. He said 95 percent of those who invested in Shanghai's Waigaoqiao area made profits. He expressed the hope that Pusan economic circles would enhance ties and cooperation with Shanghai counterparts.

Ye Gongqi, chairman of the Shanghai People's Congress Standing Committee, also met with the Pusan City Council delegation on 21 July.

Shanghai and Pusan established friendship city tie in August 1993.

Southeast Asia & Pacific

PRC: Qian Sees 'Broad Prospects' for Sino-ASEAN Relations

OW2407165196 *Beijing XINHUA in English*
1621 GMT 24 Jul 96

[FBIS Transcribed Text] Jakarta, July 24 (XINHUA) — Chinese Foreign Minister Qian Qichen said here today that China's dialogue partnership with ASEAN (Association of Southeast Asian Nations) has opened up broad prospects for the development of relations between the two sides at a higher level.

Qian made the remarks at the China-ASEAN dialogue meeting here, which was attended by Malaysian Foreign Minister Badawi on behalf of ASEAN. It was decided at the 29th ASEAN Ministerial Meeting that Malaysia serves as the ASEAN coordinator in its relations with China.

Qian said that China holds in high regard ASEAN's role in maintaining regional peace and stability.

He said to develop long-term and good neighborly and friendly relations with ASEAN is an important component of China's foreign policy.

On political relations, Qian noted that the two sides maintained frequent exchanges of high-level visits and dialogues at all levels and have established a system of regular senior officials' consultation.

On economic cooperation, Qian said that since the end of the 1980s, bilateral trade has grown at an annual rate of 20 percent, approaching 20 billion US dollars last year.

The two sides have also strengthened cooperation in the areas of banking, project contract and labor contract.

Meanwhile, a joint Economic and Trade Committee and a Joint Scientific and Technological Committee have been set up, giving boost to economic cooperation between China and ASEAN, Qian said.

On international and regional affairs, the two sides have increased coordination and mutual support, Qian noted.

He said both China and ASEAN observe the basic principles of non-interference in each other's internal affairs and peaceful settlement of disputes between states.

At the meeting, Badawi said that ASEAN and China have made significant progress in various areas of cooperation, and cooperation will be deepened further now that China has become a full dialogue partner.

Officials of both sides shall work together on the mechanisms to manage dialogue process, both in functional and political areas, he said.

At the two-day Post Ministerial Meeting (PMC) of the 29th ASEAN Ministerial Meeting (AMM) which will end on Thursday, seven ASEAN Foreign Ministers will discuss regional and international issues of common interest and bilateral issues.

PRC: Closer Trade Ties With South, Southeast Asia Sought

*OW2507034496 Beijing XINHUA in English
0337 GMT 25 Jul 96*

[FBIS Transcribed Text] Lanzhou, July 25 (XINHUA) — China plans to increase its economic cooperation with Southeast Asia and South Asia, a senior trade official said here today.

Though great achievements have already been made in economic and trade cooperation between China and southeast and south Asia in recent years, there is

scope for even bigger trading as the two are close neighbors, and have forged good relationship, said Li Guohua, vice-minister of Foreign Trade and Economic Cooperation.

The Association of Southeast Asian Nations (ASEAN) has become the fifth largest trade partner of China after Japan, Hong Kong, the United States and the European Union.

In 1995, the trade volume between China and ASEAN totalled 19.5 billion US dollars, a rise of 42 percent over the previous year. The import and export value between China and the six countries in southern Asia climbed to 3.1 billion US dollars last year.

There is a mutual complementarity between the two sides. Southeast and south Asia can provide China with plentiful supplies of timber, rubber and petroleum resources, while China-made machinery and electronic products are well received in southern Asian nations.

Rapid economic growth of southeast Asian countries and the opening-up of countries in south Asia served as important factors to enhance cooperation with the two regions, Li said.

China will take a variety of measures to promote trade with the two regions, and working still harder to maintain its prestige on the Asian market by improving product quality and packaging.

PRC: PLA Officer: Friendly Sino-Thai Ties Serve Regional Peace

*OW2407132696 Beijing XINHUA in English
1306 GMT 24 Jul 96*

[FBIS Transcribed Text] Beijing, July 24 (XINHUA) — The friendly cooperative relations between China and Thailand and between the two armed forces serve not only the basic interests of the two peoples, but also the peace and development in the region.

Lieutenant General Qian Shugen, deputy chief of the General Staff of the Chinese People's Liberation Army (PLA), made the remarks while meeting with visiting General Wattana Sanpanich, deputy supreme commander of the Thai Armed Forces.

Qian noted that China and Thailand have witnessed a sound cooperation in every field since they forged diplomatic ties in 1975. He briefed Sanpanich on China's defence policy and army-building.

Sanpanich highly praised Thai-Chinese friendship, and expressed the hope that the friendly relations of cooperation between the two countries and their armed forces would keep growing.

Sanpanich and his party arrived here today as guest of the Headquarters of the General Staff of the PLA.

West Europe

PRC: NPC Condemns European Parliament for Taiwan Resolution

OW2507105496 Beijing XINHUA Domestic Service
in Chinese 0733 GMT 25 Jul 96

[FBIS Translated Text] Beijing, 25 Jul (XINHUA) — The National People's Congress [NPC] Foreign Affairs Committee issued a statement on 24 July [date as received], in which it strongly condemns [qiang lie qian ze 1730 3525 6232 6307] the European Parliament for adopting the so-called "Role of Taiwan in International Organizations" resolution.

The statement says: On 19 July, the European Parliament, without regard for the Chinese side's repeated representations and at the instigation of a small number of its members, adopted the so-called "Role of Taiwan in International Organizations" resolution through urgent resolution procedures.

The statement points out: Echoing certain anti-China forces in the international community, the resolution attempts to build the case for Taiwan's "return to the United Nations," and openly and flagrantly [gong ran lu gu di 0361 3544 7216 7539 0966] supports the Taiwan authorities in creating "two Chinas" or "one China, one Taiwan" by bringing Taiwan into certain international organizations. This constitutes a wanton interference [cu bao gan she 4723 2552 1626 3195] in China's internal affairs and a willful trampling [si yi jian ta 5127 1942 6432 6431] of the principles of the UN Charter. We register our utmost indignation over and strong protest against [ji da di fen kai he qiang lie di kang yi 2817 1129 4104 2001 1980 0735 1730 3525 4104 2123 6231] this act of open contempt [gong ran mie shi 0361 3544 5583 6018] for the basic norms governing international relations.

The statement emphasizes: Taiwan is an inalienable part of the Chinese territory. All matters related to Taiwan are China's internal affairs, in which no foreign

governments, parliaments, or forces have the right to interfere. Some people in the European Parliament have overextended their reach [shou shen de tai chang le 2087 0135 1779 1132 7022 0055]. Their disgusting conduct [e lie xing jing 1921 0503 5887 1777] — which goes against the common aspirations of the international community and the China policies of the governments of European Union countries — will not work.

The statement strongly demands that the European Parliament take into consideration the overall friendly cooperative relations between China and Europe and adopt practical and effective measures to prevent a recurrence of incidents of interference in China's internal affairs.

Latin America & Caribbean

PRC: Jiang Zemin Expresses Sympathy for Guyanese Flood Victims

OW2507091396 Beijing XINHUA Domestic Service
in Chinese 0813 GMT 24 Jul 96

[FBIS Translated Text] Beijing, 24 Jul (XINHUA) — Chinese President Jiang Zemin recently sent a cable to Cheddi Jagan, Cooperative Republic of Guyana president, in which he expressed deep sympathy and solicitude for the flood-stricken Guyanese people on behalf of the Chinese Government and people.

In addition, the Chinese Government provided 400,000 yuan worth of relief materials to the Guyanese Government.

PRC: NPC Vice Chairman Meets Paraguayan Senator 23 Jul

OW2307035496 Beijing XINHUA in English
0229 GMT 23 Jul 96

[FBIS Transcribed Text] Beijing, July 23 (XINHUA) — Wang Guangying, vice-chairman of the Standing Committee of China's National People's Congress (NPC), met here this morning with Paraguayan senator Diogenes Martinez. They had a friendly conversation.

Martinez is here as guest of the NPC's Foreign Affairs Committee.

Political & Social**PRC: Human Rights Groups Report 2 Dissidents Sent to Labor Camps***OW2507012996 Hong Kong AFP in English
0106 GMT 25 Jul 96*

[FBIS Transcribed Text] Beijing July 25 (AFP) — Two Chinese dissidents arrested in May are to be sent for re-education through labor camps, an administrative sentence that does not require a trial, human rights groups reported Thursday, quoting police.

Wang Donghai and Chen Longde, both from the eastern city of Hangzhou have been arrested several times for petitioning the government for more democracy and for the release of China's most famous dissident, Wei Jingsheng.

They also demanded the government reevaluate the 1989 democracy movement that ended in the Tiananmen Square massacre on June 4 that year, Human Rights Democracy China Information Centre and US-based Human Rights in China said in faxed statements.

PRC: UN Agency Urged To Improve Human Rights Work*OW2307234196 Beijing XINHUA in English
2210 GMT 23 Jul 96*

[FBIS Transcribed Text] United Nations, July 23 (XINHUA) — Chinese representative urged here today the Commission on Human Rights to reduce confrontation, expand cooperation, adopt universal standard, treat human rights issue in a fair and comprehensive manner, and raise efficiency in the field.

Speaking at the 1996 substantive session of the Economic and Social Council (ECOSOC) on the question of human rights, Ambassador Wang Xuexian said the Chinese delegation could not but express its regret over some abnormal phenomena existing in the commission while affirming its progress.

"Human rights is an integral whole, in which all categories of human rights are equally important. However, economic, social and cultural rights still failed to be accorded the same attention at this session of the commission as civil and political rights," he said.

Only seven out of the 114 resolutions and decisions adopted by the commission were exclusively dedicated to economic, social and cultural rights, he noted.

On the other hand, some countries, clinging to the "Cold War" thinking and posing themselves as human rights judges, still regarded other countries as their dependencies. They could name more than 60 countries and accuse many developing countries of poor human rights

situation while they turned a blind eye to violations of human rights in their own countries, he said.

In order to ensure the U.N.'s work in the field of human rights to be carried out smoothly in the future, the Chinese delegation urged the ECOSOC and the Commission on Human Rights to improve their work in the following areas:

— It is necessary to adhere to the purposes and principles of the U.N. Charter and carry out international cooperation in the field of human rights on the basis of equality and mutual respect. Despite difference in political systems, levels of development, cultural traditions and values, all countries should treat each other as equals, respect each other, learn from each other's strong points and get rid of "Cold War" thinking;

— All human rights are universal, indivisible and interdependent and interrelated. As the world poverty population has amounted to 1.5 billion, the U.N. human rights bodies should play an active role in eradication of poverty, take concrete measures on the urgent and important issues of developing countries and promote the realization of economic, social and cultural rights and the right to development; and

— Effective measures should be taken and necessary reforms introduced to admit more developing countries into the commission so as to raise efficiency, reduce overlapping and rationalize and democratize the work of U.N. human rights bodies.

PRC: Qian Pledges Continued Cooperation With ASEAN*OW2407043796 Beijing XINHUA in English
0418 GMT 24 Jul 96*

[FBIS Transcribed Text] Jakarta, July 24 (XINHUA) — China will continue to cooperate with ASEAN in maintaining regional peace and stability, Chinese Vice Premier and Foreign Minister Qian Qichen said at the ASEAN Post Ministerial Conference (PMC) here today.

He said that China and ASEAN are playing important roles in maintaining peace and stability and promoting economic cooperation and development in the region.

This is the first time for China to attend the PMC as a full dialogue partner of the Association of Southeast Asian Nations (ASEAN).

Full dialogue partnership of China, India and Russia — the three new ASEAN dialogue partners — is no doubt of important historic and practical significance to the enhancement of all-direction dialogue in the Asia Pacific region, he said.

China will continue its support for and active participation in the ASEAN Regional Forum (ARF) and the PMC, Qian said, adding that his country will also continue bilateral and multilateral dialogue with ASEAN on issues of common interest.

Meanwhile, China is also ready to work with ASEAN in promoting the economic integration in this region, he said.

PRC: CPPCC Members Study Jiang's Speech

OW2407171596 Beijing XINHUA in English
1456 GMT 24 Jul 96

[FBIS Transcribed Text] Beijing, July 24 (XINHUA) — The Chinese People's Political Consultative Committee (CPPCC), the country's highest consulting body, vowed to support the principles outlined in a speech given by Jiang Zemin, the General Secretary of the Communist Party of China, during a recent celebration for the 75th anniversary of the party's foundation.

Senior officials and party members of CPPCC have spent several days studying Jiang's speech, which stressed the need to improve the political quality of government officials at all levels, and to pay greater attention to the construction of the party.

They said that Jiang's speech is of great significance to China's plan to realize a take-off both in its economy and cultural development during the next century.

A self-evaluation drive was launched among the CPPCC workers by referring to Jiang's requirement.

CPPCC Secretary-General Zhu Xun said that a training program will be conducted for all committee officials, aimed at improving their knowledge of communist theory, Chinese history and the political functions of CPPCC.

PRC: Experts On Book On Deng's Theory

HK2207085996 Beijing RENMIN RIBAO in Chinese
2 Jul 96 p 9

[Report: "Important Theoretical Study Achievement"]

[PTS Translated Text for FBIS] Some experts and scholars in Beijing's theoretical circles have recently held a forum in Beijing and pointed out that "Deng Xiaoping's Theory and Guangdong's Practice Study Series," a book published by Guangdong People's Publishing House constitutes an important achievement in learning and studying Deng Xiaoping's theory of building socialism with Chinese characteristics. In order to push ahead with learning and studying Deng Xiaoping's theory of building socialism with Chinese characteristics, this paper now pub-

lishes the following excerpts of speeches (including written speeches) made by some experts and scholars at the forum.

Persistently Arm People with Scientific Theories

Zheng Bijian: The book "Deng Xiaoping's Theory and Guangdong's Practice Study Series" published by Guangdong has made great and significant contributions to successfully accomplishing the strategic task of arming people with scientific theories. The book has demonstrated the following three characteristics:

The book has adhered to integrating theory with practice and conscientiously summed up Guangdong's practice and experiences, this being the first characteristic. Over the past 10-odd years, led by the CPC Central Committee, Guangdong has actively carried out Deng Xiaoping's theory of building socialism with Chinese characteristics as well as scored marked successes and summed up quite a few successful experiences in this connection. By applying Deng Xiaoping's theory, the book has summed up Guangdong's practice and experiences in building a socialist market economy, furthering a structural reform, expanding opening up to the outside world, building special economic zones, carrying out the "three-step" strategy, taking the road of achieving common prosperity, stepping up socialist spiritual civilization building while building a market economy, carrying out party building, and in other aspects; reviewed and contemplated upon Guangdong's development over the past 10-odd years; and raised Guangdong's experiences to a theoretical level. Moreover, while summing up experiences, the book did not try to evade problems. Authorized by the CPC Central Committee to act as a pioneer in reform and opening up, by standing in the forefront of reform and opening up, Guangdong has unquestionably encountered a great many more new situations and new issues at an earlier date compared with other regions. However, by studying new situations and tackling new issues, Guangdong has carried on the practice and acquired an in-depth understanding of Deng Xiaoping's theory. Having written down and theoretically summed up and contemplated upon Guangdong's development, the book will help push ahead with Guangdong's practice and development in the future and serve as useful reference material to the rest of the country.

The book has comprehensively and accurately grasped and expounded the scientific system, the basic viewpoint, and the spiritual essence of Deng Xiaoping's theory of building socialism with Chinese characteristics, this being the second characteristic. For example, an article entitled "The Third Leap forward of Socialist Theory" written by Yu Youjun has

comprehensively explored and expounded the historical position, the theoretical contribution, and the realistic significance of Deng Xiaoping's theory from a new angle and a new level in light of the historical process of birth and development of socialist theory. Other articles contained in the book have also profoundly studied and accurately grasped basic meaning, the theoretical basis, historical background, and epochal features of Comrade Deng Xiaoping's theoretical expositions on the market economy, the nature of socialism, and so on and displayed a commendable "seeking truth" spirit.

The book has displayed a good mental attitude, this being the third characteristic. The book has proven that comrades in Guangdong's theoretical circles have conscientiously and fruitfully studied Deng Xiaoping's theory. Of course, this in no way suggests that expositions contained in the book are unassailable. Nevertheless, those comrades have scored theory study results by making painstaking efforts and displayed a commendable spirit by testing their theory study results in practice and allowing other comrades to comment on them. Thus I believe that the country's theory work is now faced with a new challenge or has entered a crucial juncture. It is 18 years now since the Third Plenary Session of the 11th CPC Central Committee. The Fifth Plenary Session of the 14th CPC Central Committee drew up a grand blueprint for the country's development over the next 15 years. As we're now at a crucial juncture of two 10-odd-year periods and faced with a large number of major and complicated research topics concerning practice and understanding, we should strive to meet new and higher theoretical research requirements; maintain a good mental attitude; and work harder.

Gong Yuzhi: We have fruitfully studied Deng Xiaoping's theory of building socialism with Chinese characteristics over the past few years. The CPC Central Committee has worked out a series of important policy decisions on guiding practical work with Deng Xiaoping's theory, this being the most significant and most important achievement in this connection. We have armed the whole party and all cadres, intellectuals, and young students with Deng Xiaoping's theory, this being the most extensive achievement in this connection. Moreover, we have published more books, especially a batch of series, to this end, this being another achievement in this connection. The book published by Guangdong has carried results of unified research conducted by leading cadres, comrades involved in practical work, and comrades involved in theory work rather than results of pure theoretical research, thus embodying a demand for integrating theory with practice. This shows that those involved in theory work have worked hard to serve practical de-

velopment while those involved in practical work have worked hard to raise the theoretical standard.

The book has carried many a long article, grand in scale, elegant in style, and welcome to the readers, showing that Guangdong has successfully armed people with scientific theories; mobilized people's enthusiasm in theoretical research; summed up experiences and propagated theories by virtue of a book or a set of books. We should try to collect, compile, and publish the best results of theoretical research conducted by some centers, institutions, or areas in order to generate better social results.

Accurately Grasp Spiritual Essence and Scientific System of Scientific Theories

Xing Benshi: The book, which has carried a series of excellent theoretical articles, such as "The Third Leap Forward of Socialist Theory," "The Philosophical Basis of China's Modernization Building," "The Application and Development of Dialectical Materialism," "The Nature of Socialism and Guangdong's Ownership System Reform," and so on, has penetratingly expounded relations between applying Deng Xiaoping's theory on the one hand and inheriting and developing the Marxist philosophy, political economics, and scientific socialism on the other. Specifically, the book has stated that Deng Xiaoping's theory is a product of integrating the universal truth of Marxism with China's socialist practice under the new historical conditions and is Marxism in contemporary China. The book has provided good reading material for the broad masses of cadres and people in comprehending and grasping essence, nature, and the basic contents of Deng Xiaoping's theory. Compared with some previously published research works on Deng Xiaoping's theory (including some series), the book has provided some of the latest theoretical expositions since reform and opening up and along with China's socialist practice, we have come across quite a few new situations and summed up quite a few new experiences; Comrade Deng Xiaoping has further refined the theory of building socialism with Chinese characteristics; and the CPC Central Committee has mapped out a series of important principles and policies under the guidance of Deng Xiaoping's theory after summing up some new practices and some new experiences and thereby enriched Deng Xiaoping's theory. The previously published works failed to cover the latest developments and this content, for they had come out in print at an earlier date. The book has carried not only speeches delivered by Comrade Deng Xiaoping during his South China tour but also documents issued by the 14th CPC National Congress and the Third Plenary Session, Fourth Plenary Session, and Fifth Plenary Session of the 14th CPC

Central Committee, thus creating a strong epochal and a renewed theoretical atmosphere. The book is a new and important achievement of research on Deng Xiaoping's theory and a new and important achievement of systematic summation of Guangdong's socialist practice and experiences since reform and opening up.

Xiao Zhuoji: Deng Xiaoping's theory is Marxism in contemporary China. The book has focused on conducting research on Deng Xiaoping's theory in light of the development of Marxism. For example, the book has expounded the nature of socialism by discussing how Marx had turned socialism from an utopian theory into a science, how Lenin had put forth the theory of socialism and conducted the socialist practice, how Mao Zedong had expounded the theory of socialism and carried on the socialist practice, and how Deng Xiaoping has further expounded the nature of socialism and carried on the socialist practice, thereby making clear the historical background, origin, and development of relations between Deng Xiaoping's theory on the one hand and Marxism, Leninism, and Mao Zedong Thought on the other. This shows that Deng Xiaoping has inherited, enriched, and developed Marxism with a new ideology and a new viewpoint. Though it has directly touched upon economics on a few occasions, the book has adhered to economic construction as the center and this is conformable to Comrade Deng Xiaoping's thought. The book has discussed modernization, "one country, two systems," common prosperity, and the nature of socialism by adhering to economic construction as the center. Though it has focused on discussing Guangdong's experiences, the book has presented views of positive influence to other regions. For example, while discussing the "four major modes" of Guangdong's ownership system reform, the book has offered many useful experiences to other regions. While summing up experiences, the book has not evaded contradictions. Especially, the book stated that not only Guangdong but also other regions have come across problems in the course of opening up to the outside world and property rights reform and that all theory workers should analyze and study these problems. The book has not only commented but also drawn on the experiences and lessons of Guangdong's practical work.

Practice Should Be Guided by Scientific Theories

Li Wenhui and Zheng Shuiquan: Guangdong has carried out reform, opening up, and modernization building step by step under the guidance of Deng Xiaoping's theory and embodied Deng Xiaoping's theory in this process. By providing some detailed facts, the book has expounded the guiding role played by Deng Xiaoping's

theory in Guangdong's reform, opening up, and modernization building and proven it a truth: In the absence of scientific guidance of Deng Xiaoping's theory and correct policy decisions of the CPC Central Committee, Guangdong would not have achieved tremendous successes in reform, opening up, and modernization building. After being mastered by the masses, theories can turn into a strong material force. The CPC has reached such a precious conclusion through the practice of reform and opening up: Deng Xiaoping's theory should serve as a guiding ideology for the whole party. In a volatile world, Deng Xiaoping's theory should serve as the theoretical basis for maintaining solidarity and the unity of the whole party and the people of the whole country, as a strong spiritual pillar for rejuvenating and developing the Chinese nation, and as the basic guide for contemporary China to move from victory to victory in such a great practice as reform, opening up, and modernization building.

Ru Xin: The book has adhered to the ideological principle of integrating theory with practice and doing everything by proceeding from actual conditions; studied a series of major theoretical and practical issues regarding China's socialist modernization building at the moment by applying Deng Xiaoping's theory; carried out in-depth explorations in light of some new situations and new issues concerning Guangdong's practice in particular, some of which have never been touched upon in the Marxist theoretical study before, such as issues like a socialist market economy, reform, opening up to the outside world, special economic zones, "one country, two systems," Hong Kong, and so on. The book has boldly explored these hot-spot issues of great concern to the theoretical circles; put forth a series of new ideas; offered independent views; and furthered research on and exploration of the theory of building socialism with Chinese characteristics with a series of new materials and new views.

Practice Enriches and Develops Scientific Theories

Su Xing: Guangdong's practice has proceeded under the guidance of Deng Xiaoping's theory. Without Deng Xiaoping's theory, it would have been impossible for Guangdong to push forward reform, opening up, and modernization building. Moreover, Guangdong is the forerunner of reform and opening up. The Guangdong cadres and people have boldly carried out explorations and experiments and summarized quite a few experiences of positive influence in the whole country. It can be said that Guangdong's reform, opening up, and modernization building has provided useful and positive experiences for enriching and developing Deng Xiaoping's theory. For example, Guangdong was the first to unfold

a price reform in the country. The key to transforming a planned economy into a market economy lies in price reform. A market economy is marked by the regulation of economic activities by prices. Once price control is lifted, regulation by plan will be reduced. Guangdong lifted price control for pond fish and vegetables in the early 1980s. Guangdong was also the first province to lift price control over production means in the country. At that time, as the state failed to supply badly needed production means, Guangdong had to obtain production means on the market. By so doing, Guangdong has successfully overcome one difficulty after another in transforming a planned economy into a market economy and gradually developed a market economy. Moreover, Guangdong was also the first province to say that an economic structural reform is fundamentally aimed at building a socialist market economic structure and that integration of socialism and a market economy is feasible. A report published in Guangdong in 1988 expounded upon relations between a market economy and a commodity market, saying that Guangdong's economic structural reform is fundamentally aimed at building a socialist market economy. That report also called for making a success of several aspects of work to this end.

Han Shuying: Guangdong has enriched and pushed forward Deng Xiaoping's theory while implementing it. The book has done exactly this job. For example, the book has summed up Guangdong's practice of striving for common prosperity and promoting the development of mountainous areas, this being of great significance. Peasants now account for about 80 percent of China's population, this being China's most salient national characteristic. The key to narrowing the development gap and eliminating unbalanced development between regions lies in successfully solving the question of peasants. Guangdong's development started in coastal areas and gradually spread to the mountainous areas. Since Guangdong has summed up experiences of mountainous areas development and integrated these experiences with Comrade Deng Xiaoping's theory of adhering to common prosperity, Guangdong's practice is of great significance to other regions. This book has integrated Guangdong's practice with the road of building socialism with Chinese characteristics; conscientiously explored and pointed out a new road for helping peasants shake off poverty and for eradicating unbalanced development between regions; and provided useful experiences for the whole country to draw upon.

PRC: Li Tieying Urges Faster Development of Legal System

*OW2407145696 Beijing XINHUA in English
1357 GMT 24 Jul 96*

[FBIS Transcribed Text] Harbin, July 24 (XINHUA) — State Councillor Li Tieying has called for speeding up the establishment of the socialist market economic legal system, in order to legally guide, promote and guarantee the realization of two fundamental changes.

The two fundamental changes are: the planned economic structure will be changed to a socialist market economy, and management mode switched from extensive to intensive.

Li, also a member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee and minister of the State Commission for Restructuring the Economy, made the remark at a symposium to promote the reform of large and medium-sized state-owned enterprises.

The two-day symposium ended yesterday in Harbin, capital of Heilongjiang province in northeast China.

The senior official said that with the deepening of reform, it has become one of the important tasks of the ongoing reform to set up the legal system of the socialist market economy.

He stressed that the reform and opening-up drive should not be separated from the construction of the socialist legal system, and that attention should be placed on both.

PRC: Dissidents' Book Notes Changing State-Society Relations

*HK2407032196 Hong Kong SING TAO JIH PAO
in Chinese 29 Jun 96 p A2*

["Special article" by special correspondent Wei Guo (7614 6665): "New Book by Chen Ziming and Wang Juntao Off the Press, To Lead Democratic Movement to Idea of 'Constructive Opposition'"]

[PTS Translated Text for FBIS] A few days ago, the Canada Mirror Publishing House published a new book entitled "Relieve China From Crisis" by Chen Ziming and Wang Juntao. The two writers are known abroad as the best pro-democracy partners. Although one of them is on the mainland, suffering from chronic disease and still kept in prison, while the other is abroad, their idea of leading democracy to "constructive opposition" is clearly manifested in the new book.

Chen Ziming and Wang Juntao point out in the book that readjustment of the relations between the CPC and

government on the one hand and society on the other is characterized by:

First, the scope of control is reducing. This is clearly manifested in the people's daily life, literature and art, and scientific research. Although efforts have been made to resume control under the slogan of "eliminating spiritual pollution" and "opposing bourgeois liberalization," independence has been enhanced in the activities in these fields and interference by the party and state in daily life has been limited. In addition, this is not related to the political atmosphere. Although freedom of creation is occasionally restricted by the authorities in the sphere of literature and art, the space for freedom of creation and literary activities is undoubtedly expanding.

Second, in the fields which are still under control, the influence of control is waning and the means of control are changing. A basic trend in this regard is a change effected from "solid" direct control to a rather "nominal" control in principle.

Third, standardization of the means of control is strengthening. Prior to reform, the state willfully and arbitrarily exercised control over social life. The "Cultural Revolution" pushed such willfulness and arbitrariness to the extreme. In the course of reform and opening up over the past decade or so, a change has been effected from such willfulness and arbitrariness to a relatively standardized control. The restoration of legislation and the legislative organs and the emphasis on independence has enhanced the position of law, and at the same time restricted the scope of party and government interference in social life. The newly revised constitution clearly stipulates the basic rights of Chinese citizens. The Criminal Law and the Criminal Procedural Law also help restrict the practice of indiscriminately and willfully arresting people.

They believe that in the course of reform and opening up, the most important thing is the formation of relatively independent economic forces. A noteworthy factor is that the savings of urban and rural inhabitants now exceed 2,000 billion yuan. The amount totals around 3,000 billion yuan if the bonds, stocks, and cash in their hands are added, more or less the same as the total value of state assets. Some relatively independent social forces are taking shape based on the development of the non-public economic sector.

Chen Ziming and Wang Juntao say: "Under an overall social system where the state is extremely strong and society is very weak, nongovernmental social organizations will be out of the question since there is no relatively independent society. Even if such an organization arises accidentally in the field of religion, it will

be subject to cruel suppression. Thanks to the development and growth of social forces in the course of reform and opening up over the past decade or so, the need for such organizations has appeared. This is manifested in two aspects: First, in the field of economic activities, some nongovernmental chambers of commerce or trade associations have started to give play to their roles; and second, in the spheres of science and technology and culture, some nongovernmental organizations have also started to vigorously carry out activities."

PRC: Wen Jiabao Urges Overseas Chinese Students To Return Home

OW2307131996 Beijing ZHONGGUO XINWEN SHE
in Chinese 1308 GMT 20 Jul 96

[FBIS Translated Text] Beijing, 20 Jul (ZXS) — Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the CPC Central Committee Secretariat, today said here: The Chinese Government's policy toward students studying abroad is consistent — mainly encouraging them to return to the country, allowing them to come and go at their own will, and creating as many conditions as possible for them to put their talent to good use. Chinese students residing abroad are encouraged to conduct exchanges and cooperation with China through various ways. Wen Jiabao made the aforementioned remarks in meeting with the "visiting delegation of outstanding scholars residing in the United States" at the Great Hall of the People. Six out of the eight members in the delegation are young scholars who have won U.S. Presidential Awards between 1993 and 1995.

Wen Jiabao extended a warm welcome to them on their visit. He said: You are scholars of great achievements among overseas Chinese; your achievements have demonstrated the intelligence, wisdom, and hardworking spirit of the Chinese and you have won honor for the Chinese. I am grateful for your exchanges and cooperation with China in education, science, technology, and other areas.

Wen Jiabao placed some demands on the broad masses of students studying abroad: First, he hoped that all of them will continue to make glorious achievements in their careers. He also hoped that they will come back to visit the country often and tell overseas Chinese, students, and their American friends about China's progress and achievements and relevant policies in a comprehensive and objective manner, so as to do some helpful work to promote Sino-U.S. relations.

Having heard the delegation members' opinions and suggestions, Wen Jiabao expressed his gratitude for their enthusiasm in vigorously offering advice and exerting

themselves for the development of the motherland. He said that in the future various methods will be used to solicit opinions from Chinese students studying abroad and to create conditions for them to put their talent to good use and serve the motherland. This delegation, organized by the Chinese Association of Science and Technology in the United States, is visiting China at the invitation of the State Council Office of Overseas Chinese Affairs. The delegation is headed by Xu Zhenchun and Lu Chongqing, honorary chairman and chairman of the Chinese Association of Science and Technology in the United States respectively, and contains the following members: Zhu Cheng, Liu Yilu, Yan Xiaohai, Zhang Zenghui, Li Jing, and Liu Sheng. The aims of their visit are "learning about the situation in the country, giving a briefing on the situation, intensifying contacts, and promoting cooperation," and doing some practical deeds to seek ways for serving the motherland. They have conducted corresponding exchanges and talks in Guangzhou, Hangzhou, and Shanghai.

During their stay in Beijing, the delegation will conduct exchanges with the State Bureau of Foreign Experts Affairs, the International Economics and Technology Research Institute under the State Council Development Research Center, the Department of Industrial Science and Technology under the State Science and Technology Commission, and the Beijing Municipal Office of Overseas Chinese Affairs.

Li Haifeng, deputy director of the State Council Office of Overseas Chinese Affairs, attended the forum today.

PRC: Scholars Residing Abroad Can Better Serve Motherland

OW2407023296 Beijing ZHONGGUO XINWEN SHE
in English 0135 GMT 24 Jul 96

[FBIS Transcribed Text] Beijing, July 23 (CNS) — The Vice-Minister of the State Education Commission, Zhou Yuanqing, today calls for Chinese scholars living abroad to make greater contributions to China's educational, scientific and technological undertakings.

Mr Zhou made the remarks at a meeting with a group of scholars currently residing in the United States.

During the meeting Mr Zhou briefed the visitors on the current state of China's higher education and its reforms.

He noted that a special body was in place to develop China's higher education system well into the 21st century. He hoped to introduce some of the new ideas prevailing in higher education sectors overseas to improve China's educational undertakings.

Mr Zhou said that he attached great importance to reforming the mainland's educational ideology, adding that the education authority is also looking at the structure of the higher educational institutions, and may consider merging some tertiary institutions.

Members of the delegation expressed their opinions and put forward proposals to deal with the problems facing China's higher education sector. They said they hoped to be involved in China's educational reform and to make their contributions to it.

PRC: Symposium on Students Studying Abroad

OW2407023096 Beijing ZHONGGUO XINWEN SHE
in English 0134 GMT 24 Jul 96

[FBIS Transcribed Text] Beijing, July 23 (CNS) — The Symposium of China and the New Generation of Students Studying Abroad in the 21st Century, organised by the Western Returned Students' Association, was opened today. Before the opening, Jiang Zemin, general-secretary of the Communist Party of China (CPC), met with the delegates of the symposium.

The symposium aims to help Chinese students studying abroad understand better the domestic development and make contributions to such development through variety of means.

Up to the end of last year, 250,000 students from China were studying or had studied in more than 103 foreign countries. More than 80,000 had completed their study and returned to China. In the past two years, 4,000 to 5,000 students have returned to work in China each year.

Wu Jie-ping, president of the Western Returned Students' Association and vice-chairman of the Standing Committee of the National People's Congress (NPC), said that students returned from overseas had made contributions to the country. He believes that more than 100,000 Chinese students studying abroad at present are also eager to return and help their motherland in any way they can.

More than 80 students from nine countries, including Britain, France, Germany, the United States and Japan, will attend the symposium's many lectures, debates and discussions, which stretch over the next three days.

PRC: Commentator on Development of Archives Work

HK2407032396 Beijing RENMIN RIBAO in Chinese 7 Jul 96 p 2

[Commentator's article: "Enhance Level of Law Enforcement and Develop Archives Work"]

[PTS Translated Text for FBIS] The amended "PRC Archives Law" has been adopted by the 20th Session of the Eighth National People's Congress Standing Committee. This is a major event in codification of China's archives work and an essential measure adopted by the state to better serve the socialist modernization program. The amended "Archives Law" sums up the successful experience of China's archives work since reform and opening up. It is the code for archives work under the conditions of the socialist market economy.

The purpose of the amended "Archives Law" is to enable archives work to better suit the needs of the development of the socialist market economy and better serve reform, opening up, and the modernization program. In view of the new problems arising in the change of system, mergers, and even bankruptcy of some state enterprises, the amended "Archives Law" urges the state archives administrative management departments to draft specific regulations to standardize activities so as to meet the needs of reform, operation, and management of state enterprises. In view of the poor management of the files of collectives and individuals, the preservation of which is of value to the state and society, the amended "Archives Law" clearly stipulates that owners of these files may keep their files or sell them to the archives. Without approval of the archives administrative management departments of the people's government at or above county level, they may not sell the files to any unit or individual other than the state archives. It is strictly prohibited to engage in buying and selling of archives at a profit. It is also strictly prohibited to sell archives or present them as gifts to foreigners. These provisions protect the ownership of files by collectives and individuals, and also safeguard state and social interests, protect China's national cultural heritage, and ensure the integrity of China's archives.

Based on the practical experience summed up in implementing the "Archives Law" over the past eight years, the amended "Archives Law" clearly stipulates the rights, duties, and responsibilities of various social fields, archives organs, and working personnel in archives affairs; clearly states the punishments to be meted out for law violation; and clearly defines the functions and rights of the archives administrative management departments in law enforcement and supervision. These provisions will play a positive role in improving

the archives management system, strengthening archives management, effectively protecting and making good use of archives, and enhancing law-enforcement and supervision.

Leaders at all levels, archives working personnel, and various social fields should further increase their awareness of archives and the archives legal system, conscientiously study the "Archives Law," profoundly implement the "Archives Law," act according to law, and punish those who violate the law. With deepened implementation of the "Archives Law," China's archives work will develop to a new stage along the track of the legal system and will make new contributions in the building of socialist material and spiritual civilization and in the great process of reform, opening up, and the socialist modernization program.

***PRC: State Education Commission Issues 1995 Statistical Communiqué**

96CM0376A Beijing ZHONGGUO JIAOYU BAO in Chinese 19 Apr 96 p 2

[Article by State Education Commission: "All Sectors of Education Made Progress in 1995"]

[FBIS Translated Text] In 1995 the national education front implemented the "Chinese Educational Reform and Development Program" in earnest, which helps to consolidate the strategic priority status given to education. Educational reform continued to deepen and significant progress was made in making nine-year education compulsory. The campaign to wipe out illiteracy achieved the hoped for results. Vocational education and adult education continued to advance. Institutions of higher education realized macroregulation and control in student recruitment. The adjustment of the distribution of schools has come a long way and schools are being run more efficiently.

Compulsory Education

By late 1995 1,025 counties (cities, districts) had introduced compulsory primary education, about 36 percent of all counties (cities, districts) in the nation.

The number of students enrolled in primary schools continued to increase, both absolutely and relative to the number of school-age children. Fewer students dropped out and the proportion of students who completed five consecutive years of schooling increased. Nationwide there were 668,700 primary schools which between them admitted 25,318,100 new students and enrolled 131,951,500 students in all, an increase of 3,725,300 from 1994. The enrollment rate among primary school age children (based on the localities' definitions of school age and differences in educational systems)

was a high 98.5 percent, a 0.1 percentage point gain over the preceding year. Specifically, the enrollment rate among boys was 98.9 percent and among girls, 98.2 percent. At 0.7 percentage point, the enrollment gap between boys and girls was lower than that in 1994, which was 1.3 percentage points. The drop-out rate among primary school students was 1.49 percent, down 0.36 percentage points from a year ago. The proportion of primary school students who finished five consecutive years of primary education was 82.78 percent, 82.47 percent among girls, both higher than last year's numbers. Primary school graduates also entered secondary schools at the higher rate of 90.8 percent, up 4.2 percentage points from 1994.

Nationwide there were 6,324,200 primary school teachers and administrative workers, up 53,100 from last year. Specifically there were 5,664,100 full-time teachers, 52,800 more than the year before. Among full-time teachers, 1,632,000 taught at primary schools run by local people, 185,100 fewer than the preceding year, and made up 28.8 percent of the total number of teachers, down 3.6 percentage points. Among primary school teachers, 88.9 percent met the necessary academic requirements, up 2.3 percentage points. The pupil:teacher ratio was 23.3:1, slightly higher than last year's 22.9:1.

Significant progress was made in compulsory education at the junior middle school level. Both the admission rate and the rate at which junior middle school graduates moved onto higher grades went up notably. Also up was the proportion of teachers who possessed the necessary academic credentials, while the dropout rate declined. Nationwide there were 68,600 junior middle schools, including 67,000 regular junior middle schools and 1,600 vocational junior middle schools. Junior middle schools admitted 17,824,900 new students in 1995, a gain of 1,376,200 from the preceding year, including 17,522,800 admitted by regular junior middle schools and 288,400 admitted by vocational junior middle schools, up 1,359,200 and 3,300, respectively, from 1994. Altogether 47,275,100 students were enrolled in all junior middle schools, 3,476,100 more than 1994, or up 7.9 percent. Specifically, 46,578,200 attended regular junior middle schools and 696,900 attended vocational junior middle schools, up 3,409,600 and 66,400, respectively, from the previous year. In 1995 there were 12,443,400 junior middle school graduates, 779,400 more than 1994. The junior middle admission rate went up 4.6 percentage points from a year ago to 78.4 percent, while the drop-out rate slipped 1.1 percentage points to 4.0 percent between 1994 and 1995. Junior middle school graduates entered senior middle schools at the rate of 51.8 percent, an increase of 4 percentage points.

Nationwide there were 2,828,900 full-time junior middle school teachers, 98,600 more than in the preceding year. Of them, 2,783,700 taught at regular junior middle schools and 37,200 taught at vocational junior middle schools, up 96,800 and 1,900, respectively, from the previous year. Of all full-time teachers at this level, 5.96 percent, or 166,000, taught at junior middle schools run by local people, down 1.48 percentage points, or 33,800, respectively, from a year ago. The proportion of junior middle school teachers who met the necessary teaching requirements was 69.1 percent, up 5.26 percentage points. The pupil:teacher ratio was 16.7:1, slightly higher than last year's 16.1:1.

Nationwide primary and middle schools had a combined floor area of 827.391 million square meters, an increase of 13.204 million from the year before, including 14.641 million square meters in dilapidated buildings, or 1.77 percent of the total area, down 0.27 percentage points from 2.04 percent in 1994. At the junior middle school level, 45.38 percent of the schools met the standards pertaining to apparatus and equipment used in science teaching; 41.66 percent, teaching and doing experiments in groups; and 41.23 percent, books. At the primary school level, the corresponding numbers were 26.02 percent, 20.28 percent, and 34.19 percent, respectively. These figures were certainly higher than last year's, but they are still on the low side by and large.

Preschool Education and Special Education

Preschool education continued to make steady headway. There were 180,400 kindergartens (including preschools) nationwide, 5,781 more than the year before, and 27,112,300 preschoolers were enrolled in them, up 809,600. There were 945,000 kindergarten directors and teachers, up 1.5 percentage points from the preceding year.

Special education has made rapid progress. There were 1,379 special education schools across China, 138 more than 1994. Including the freshman intake of 56,300 handicapped children, 16,500 more than last year, these special education schools enrolled 295,600 handicapped children in all, 84,200 more than the year before, up 39.8 percent. Specifically, 83,200 attended schools for the blind, deaf, and mute; 35,100 attended schools for the mentally retarded and supplementary classes; and 177,300 attended special education classes or affiliated classes in regular schools. In 1995, 19,000 students graduated from all types of schools for the handicapped. Special education institutions had 36,800 teachers and administrative workers, 3,600 more than the year before.

Education at Senior Middle School Level

There were 31,100 senior middle schools of all types (including regular senior middle schools, vocational senior middle schools, professional middle schools, and technician schools) nationwide, enrolling 16,524,400 students altogether, up 1,430,400 from the previous year. The school admission rate was 33.6 percent, a 2.7 percentage point increase. Vocational and professional middle schools of all types admitted 57.4 percent of all freshmen admitted by all institutions of education at the senior middle level and enrolled 56.8 percent of all students enrolled at these institutions.

More students were attending regular senior middle schools, the pupil:teacher ratio increased, and the conditions in which schools were run improved. Nationwide there were 14,000 regular senior middle schools with a combined freshmen intake of 2,736,500, up 302,600. Altogether 7,137,600 students were enrolled in senior middle schools, 483,600 more than the year before, and 2,016,400 students graduated. There were 550,500 full-time senior middle school teachers, off 3,700 from the year before. At 13:1, the pupil-teacher ratio was slightly higher than last year's 12.2:1. Among senior middle school teachers, 55.2 percent had the necessary academic credentials, up 1.82 percentage points from last year. No doubt regular senior middle schools operated under improved conditions in 1995; 49.03 percent of the schools were conducting experiments in groups, up 4.73 percentage points; 49 percent met book requirements, up 5.5 percentage points; 51.36 percent had the necessary equipment for conducting scientific experiments, up 5.27 percentage points; 50.06 percent met the space requirements governing laboratories, up 2.71 percentage points; and 46.32 percent met the space requirements governing gymnasiums, up 4.98 percentage points.

Vocational education at the senior middle level made further progress and vocational schools were able to operate in much improved conditions, but the proportion of full-time teachers who possessed the necessary academic credentials was still on the low side. Nationwide there were 8,612 vocational senior middle schools, down 67 from last year. The freshman intake consisted of 1,612,000 students, an increase of 144,300. Altogether 3,786,300 students were enrolled in vocational senior middle schools, up 360,700. There were 1,070,200 graduates, up 132,000. Vocational senior middle schools had 254,900 full-time teachers, 13,700 more than the year before. Of them, 28.99 percent had the necessary academic credentials, up 1.4 percentage points. Among all vocational senior middle schools, 24.72 percent had the necessary equipment and apparatus for conducting scientific experiments, up 3.33 percentage points; 24.18 percent met the grouping stan-

dards for teaching and conducting experiments, up 3.58 percentage points; 31.43 percent met the book requirements, up 4.92 percentage points; 29.83 percent met the laboratory space requirements, up 4.48 percentage points; and 27.41 percent met the gymnasium space requirements, up 3.64 percentage points.

The number of new students admitted into professional senior middle schools continued to increase, as did the size of total enrollment. Nationwide there were 4,049 regular technical senior middle schools, 62 more than the preceding year. The freshman intake was 1,380,900 students, an increase of 155,500 compared with 1994. The total enrollment was 3,721,500, up 523,600. Specifically, technical middle schools admitted 1,072,600 students, up 137,900, boosting total enrollment to 2,873,600 students, an increase of 459,600, while teachers' training middle schools admitted 308,300 students, up 17,600, and enrolled 848,000 students in all, up 64,100. Between them, regular professional middle schools had 530,000 teachers and administrative workers, up 13,500 from a year ago. Among them were 256,800 full-time teachers, up 9,800. Of all full-time teachers at regular professional senior middle schools, 63.02 percent had at least a college degree. the pupil:teacher ratio rose to 14.5:1 from 13.0:1 the year before. Specifically it increased from 12.9:1 to 14.7:1 at technical senior middle schools and from 13.1:1 to 13.7:1 at teachers training middle schools.

Technician schools developed steadily. Nationwide there were 4,507 technician schools, up 77 from 1994. They admitted 696,600 new students, enrolled a total of 1,885,000, 14,100 more than a year ago, and graduated 681,500. Technician schools had 336,700 teachers and administrative workers, including 152,900 full-time teachers.

Nationwide there were 2,494 adult senior middle schools, up 201 compared with 1994. They admitted 282,600 new students, enrolled 358,600 in all, and graduated 273,700. Among the adult senior middle schools were 1,783 senior middle schools for employees, 161 more than the previous year. These schools admitted 234,500 students, enrolled 288,000, and graduated 230,000. Furthermore, there were 711 senior middle schools for peasants, an increase of 40. They admitted 48,000 students, enrolled 70,000, and graduated 40,000.

Considerable development occurred in professional adult education at the middle school level. Nationwide, there were 4,904 professional middle schools for adults, up 93 from the preceding year. They admitted 1,252,400 new students, enrolled 2,907,900 students, and graduated 893,400, up 8.71 percent, 10.2 percent, and 27.4 percent, respectively, from a year ago.

Higher Education

The adjustment of the distribution pattern of institutions of higher education made great headway. The macroregulation and control of the student recruitment process worked effectively. Postgraduate education continued to develop and the scale of undergraduate and professional education expanded further. The efficiency with which institutions were operated improved.

Nationwide there were 1,054 regular institutions of higher education, down 26 from last year, including 616 colleges and universities, down 11, and 438 colleges of professional training and short-term professional colleges, down 15. There were 740 units in China which offered graduate education, including 420 colleges and universities and 320 scientific research institutions. Between them, they admitted 51,100 new graduate students, including 11,056 doctoral candidates and 39,869 master's candidates; enrolled a total of 145,400 students, up 17,500 from the year ago, including 28,752 doctoral candidates and 116,396 master's candidates; and graduated 31,900. Regular colleges and universities admitted 925,900 new undergraduates and other professional training students, up 26,100. The ratio between undergraduates and professional training students was 1:1.07 (1:1.2 last year). The number of students enrolled in regular institutions of higher education was 2,906,400, up 107,800 from 1994, and the number of graduates was 805,400, up 168,000.

Nationwide regular institutions of higher education had 1,040,600 teachers and administrative workers, up 300 from last year, including 400,700 full-time teachers, up 4,300. Among full-time teachers, 31,100 were professors, 106,500 were associate professors, 166,500 were lecturers, 74,900 were assistant professors, and 21,700 were instructors. The average enrollment per institution was 2,757 students, up from 2,591 last year. The number of undergraduates per faculty member was 7.25, up from 7.06 last year (or from 8.8:1 to 8.9:1, based on the equivalent number of students.)

Regular institutions of higher education had a total floor area of 130.53 million square meters, up 6.96 million from 1994. Since new construction failed to keep pace with the growth of student enrollments, the floor area available per student continued to decline, from 40.9 square meters last year to 39.9 square meters in 1995.

Nationwide there were 1,156 colleges and universities for adults, 16 fewer than in 1994, including 836 which offered correspondence courses or evening classes. These institutions of higher education for adults admitted 913,800 new undergraduates and other professional students (including 80,600 enrolled in regular classes at the Electricity University); enrolled a total of 2.57 mil-

lion students, up 21,800 from last year; and graduated 636,100 students, up 180,800.

Nationwide institutions of higher education for adults had 213,400 teachers and administrative workers, up 3,400, including 98,200 full-time teachers, up 3,300. Among full-time teachers, 1,433 were professors, 21,209 were associate professors, 47,275 were lecturers, 22,740 were assistant professors, and 5,550 were instructors.

Institutions of higher education for adults had a total floor area of 27.10 million square meters, up 1.25 million, or 22 square meters per student.

Adult Training and Anti-Illiteracy Campaign

Adult technical training and education at the primary and middle school levels has been flourishing. The drive to eradicate illiteracy achieved its goals for the year. Institutions of higher education for adults offered an expanded program of nondegree courses.

Nationwide there were 398,800 technical training schools for adults in 1995, 54,000 more than the year before, including 13,300 employee technical training schools, up 922, and 385,500 peasant technical schools, up 53,000. A total of 76,981,900 people completed training, up 10,728,100 or 13.9 percent, from a year ago, including 6,628,100 workers and 70,353,800 peasants.

Nationwide technical training schools for adults had 454,300 teachers and administrative workers, up 74,900, of which 103,200 belonged to technical training schools for workers and 351,100 belonged to technical training schools for peasants. The number of full-time teachers at technical training schools for adults was 196,700, up 45,700, of whom 60,300 taught at technical training schools for workers and 136,400 taught at technical training schools for peasants.

Nationwide, a total of 1,576,400 people graduated from nondegree classes offered at various institutions of higher education for adults, up 240,700 from last year, or 15.3 percent. Specifically, 176,900 obtained a certificate, 1,231,000 completed on-the-job training, 73,000 received postcollege continuing education, and 95,500 people obtained other forms of instruction.

There were 51,700 primary schools for adults (excluding anti-illiteracy schools), up 390. They admitted 2,881,600 new students, down 81,200 from 1994, and enrolled 2,906,200 students, down 73,600. They had 54,300 teachers and administrative workers, up 2,900, including 21,900 full-time teachers, up 2,400.

Nationwide the number of illiterates fell 4,761,300, exceeding the goal in the national plan for the 1990's,

which is to reduce the number of illiterates by an average of 4 million each year. Altogether 123,400 teachers and administrative workers were involved in the anti-illiteracy campaign, up 13,600, including 35,700 full-time teachers, up 3,800.

Science & Technology

PRC: Research Team Develops High-Speed Laser Device

OW2507104996 Beijing XINHUA in English
0928 GMT 25 Jul 96

[FBIS Transcribed Text] Hangzhou, July 25 (XINHUA) — China has developed the world's first new, ultra high-speed laser device.

It will increase the capacity of information stored on laser discs, make radar equipment even more precise and improve the accuracy of laser scalpels used in life-saving surgery, say experts in China.

The ultra diffraction laser device is expected to go into use in China soon.

The device was developed by a research team led by Wang Shaomin, a professor of Hangzhou University in east China's Zhejiang Province, and has been registered with the Patent Office of China.

The new device will help reduce the volume of integrated circuits, increase the capacity of laser discs and improve precision radar devices and scalpels, according to Chinese scientists.

The device poses a challenge to the conventional view that Gaussian light beams set the diffraction limit for laser devices, allowing for a new generation of laser beams of even higher quality and properties.

PRC: Heilongjiang Governor on Rejuvenating Province With Science

SK2407065496 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 23 Jul 96

[FBIS Translated Text] The provincial conference on rejuvenating Heilongjiang with science and education opened in Harbin on 23 July.

The conference called on all people of the province to make concerted efforts for vigorously developing and extensively applying science and technology; accelerate the transformation of scientific and technological findings; improve the quality of laborers; give full scope to the role of scientific and technological productive forces in promoting the province's economic and social development; and fight for realizing the province's Ninth Five-Year Plan and long-term targets for the year 2010.

The following are the major tasks of this conference: thorough implementation of the CPC Central Committee and the State Council's decision to quicken the pace of scientific and technological progress; summing-up of the province's basic experiences in rejuvenating the province with science and education gained over the past 8 years; giving commendation for the advanced; defining targets and major tasks for further thorough implementation of the targets of relying on science and education with a view to rejuvenating the province; study and mapping-out of realistic and effective measures to forcefully promote a basic change in the economic structure and the economic growth form; promotion of a sustained, fast, and sound economic development and an overall social progress.

Tian Fengshan, governor of the provincial government, delivered a report entitled "Rely on Science and Education To Rejuvenate Heilongjiang and Fight for Realizing the Province's Trans-Century Grand Targets."

He said: Over the past years, our province has rapidly developed science and technology. However, we still lag behind when compared with foreign countries and some developed provinces at home. Science and technology are not major motivations to promote the province's economic development, and the rate of contributions to the economic development made by science and technology is lower than the national average level. Under the current circumstances in which people at home and abroad vie with one another to adopt key measures to accelerate the pace of scientific and technological progress and in which competition for science and technology is getting increasingly sharper, we will easily become more backward if we do not try hard to catch up with others.

Tian Fengshan said: The realization of the trans-century targets as designated by the provincial party committee and government depends to a great extent on whether we can unswervingly implement the strategy of rejuvenating the province with science and education. To realize this strategy, we should shift the focus of our economic targets from mainly developing new projects and expanding the scale of construction to relying on the existing foundation and transforming and upgrading the existing enterprises; from mainly increasing input to relying on scientific and technological progress, reducing consumption, and upgrading the quality of production elements and the efficiency in the use of production elements; from mainly seeking to expand the scale of production to upgrading the quality of the industrial structure, developing the economies of scale, and reasonably distributing productive forces; from mainly seeking the output value and production speed to taking market demands as an orientation, paying attention to the qual-

ity, functions, and varieties of products and upgrading products' technological significance, added value, and market occupation rate; should further shift the focus of economic development onto the orbit of mainly relying on scientific and technological progress and upgrading the quality of laborers. We also should really realize a change in the economic growth form.

Tian Fengshan said: In order to further clarify the strategy of relying on science and education to rejuvenate the province and to put the strategic priorities in a prominent position, the provincial party committee and government decided to systematically organize six major scientific and technological projects, such as the projects of technologically transforming traditional industries, industrializing new high-tech, modernizing agricultural science and technology, providing information for the province's economic development, promoting social development with science and education, and cultivating trans-century science professionals and technicians.

Tian Fengshan stressed: Rejuvenating the province with science and education is a systems engineering and affects all factors related to the province's economic and social development. Thus, all levels of top party and government leaders should personally attend to the primary productive forces, strengthen organizational leadership, deepen reform, ceaselessly improve guarantee systems, and make a breakthrough in implementing major measures for promoting the province's economic development.

Ma Shujie, vice governor of the provincial government, chaired the conference. The State Science and Technology Commission sent a message of congratulations to the conference. Present at the conference were some provincial leaders, including Shan Rongfan, Zhu Dianming, Sun Kunwen, Zhou Tienong, and Wang Zongzhang.

Military & Public Security

PRC: Article On Leading Cadres' 'Four Selves'

HK2407034596 Beijing RENMIN RIBAO in Chinese
25 Jun 96 p 9

[Article by Li Zhongjie (2621 1813 2638): "Leading Cadres should Conduct Self-Respect, Self-Examination, Self-Alert, and Self-Encouragement"]

[PTS Translated Text for FBIS] Improving the ideological and political quality of leading cadres is at once an important party building task and a crucial guarantee for the fulfilling of the development program straddling the century. Comrade Jiang Zemin emphatically stressed at the Fifth Plenary Session of the 14th CPC Central Committee that leading cadres at all levels should con-

duct self-respect, self-examination, self-alert, and self-encouragement and play an exemplary role and set a good example in all fields. This instruction has embodied sincere love for and an ardent hope on leading cadres.

"Four Selves" Is a Basic Pattern and a Basic Requirement for Improving Ideological and Political Quality

In order to improve the ideological and political quality of leading cadres, on the one hand, the party organizations at all levels should set strict requirements; strengthen management; and step up supervision; on the other hand, leading cadres should take the initiative to study the party's basic theory, basic line, principles, policies, standards, and requirements; eradicate all types of incorrect concepts and understandings in the course of personal experience; cultivate a correct way of thinking, a correct political concept, and a correct ethical principle; and handle and tackle all sorts of issues under the guidance of a correct way of thinking, a correct political concept, and a correct ethical principle. In appraising a leading cadre's political quality, we should first get to know whether or not a leading cadre has been able to embody the party's political principles and standards in his own way of thinking and his own outlook on values and consciously abide by the party's political principles and standards. In order to acquire such a political quality, leading cadres should consciously and persistently try to ideologically, politically, and ethically step up self-accomplishment.

"Ways should be found and constant efforts be made to step up self-accomplishment." Self-accomplishment has remained to date a basic way of tempering and improving human nature in both China and foreign countries ever since ancient times. Confucius once said that he was worried about that "ethical values are not respected; academic studies are not pursued; justice is not upheld; and injustice is allowed to prevail and persist." Confucius stressed that "it is imperative to step up self-accomplishment in order to be respected by others." He noted that only by raising one's own ethical standard will it be possible for one to strictly and conscientiously deal with things and that "it is imperative to step up self-accomplishment in order to step up accomplishment of other people." He stressed that only by cultivating lofty ethical values will it be possible to step up accomplishment of the whole people. Therefore, Confucius combined self-accomplishment with politics. We communists should simultaneously adhere to the Marxist world outlook; put social practice in the first place; and attach great importance to ideological, political, and ethical accomplishment. Lenin once said that

politically accomplished people will never become corrupt. Mao Zedong called for raising the CPC's Marxist and Leninist standard. Comrade Zhou Enlai personally mapped out seven "important self-accomplishment regulations" and urged cadres to wage a resolute and principled struggle against all sorts of incorrect ideological concepts among themselves and other people; correct shortcomings; and never become isolated from the masses. Comrade Liu Shaoqi's book entitled "On Accomplishing a Communist Party Member" has expounded importance and basic contents of ideological, political, and ethical accomplishment of a communist party member in a centralized and systematic way. Comrade Deng Xiaoping has also stressed that it is necessary to select and promote politically competent cadres with accomplishments in Marxism and Leninism to leading bodies.

"Four Selves" Is of Great Guiding and Promotive Significance to Party Building

In order to adhere to the "four selves," we should make persistent efforts to arm the mind with Marxism, Leninism, Mao Zedong Thought, especially with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; consciously standardize our own behavior in accordance with the party's basic line, principles, and policies; set strict requirements on ourselves in accordance with the party constitution and the party's rules and regulations; restrict our own behavior in accordance with the party and government disciplines; be strict with ourselves in every way in the face of corrosive influence of unhealthy social tendencies; meet requirements set in the party constitution when making remarks and doing things; serve as qualified proletarian statesmen; adhere to a firm and correct political orientation and standard; attain a lofty spiritual realm; and cultivate lofty ethical values as well.

Insofar as self-respect in an ethical sense is concerned, we should try to respect our own character; pay attention to our own remarks and behavior; treasure our own reputation; treat people and handle things in a solemn and dignified way; behave ourselves in our respective capacity; and guard against frivolous and vulgar tendencies. A self-respecting person should never become arrogant and conceited; never demean himself; abide by socially recognized standards of behavior; safeguard his own character; respect others; never go crawling to others in dealing with people. Self-respect is an ideological quality closely associated with a person's intellectual and ethical accomplishment. People with lofty ideals, high aspirations, and lofty values should maintain self-respect at all times. Comrade Jiang Zemin said that self-respect refers not only to ethi-

cal quality and performance but also, more importantly, to a political requirement. All leading cadres are not only leaders in charge of the state and social affairs but also public servants of the people. Thus they should try to do things in their capacity and meet requirements set for their capacity. What is more important is that they should enhance a sense of political responsibility and a sense of mission; correctly view and exercise power; serve the people by exercising power given by the party and the people; never seek personal gains by abusing their power; set a good example for the broad masses of people; be the first to do things required of others; and never do things others are prohibited from doing. On the other hand, a person with no self-respect is a frivolous and vulgar person, a person who takes bribes by bending the law, and a person who does things incommensurate with his own capacity. Since he tarnishes the party's image, a person with no self-respect will be disdained by the masses.

The word "self-examination" originates from the "Analects of Confucius—On Virtues", which stated that "one should follow and advocate virtues and examine oneself so as to guard against evils." **As regards self-examination, we should examine and check up on ourselves to see if we've been associated with "evils" so as to prevent mistakes.** Moreover, self-examination is also associated with "self-censure" and "inward examination." By "self-censure," we mean that we should censure, blame, and criticize ourselves for our mistakes. By "inward examination," we mean that we should ask ourselves questions and examine our remarks and behavior so as to check deviations. "Inward examination" and "self-examination" are basically identical to each other. However, "inward examination" lays more stress on self-contemplation. Self-examination or inward examination is undoubtedly an important way of achieving self-accomplishment. The "Analects of Confucius—On Learning" stated: "Confucius once said: 'Without repeated self-examination, how can we render loyal services, win trust from friends, and learn and inherit knowledge?'" Persistent self-examination will help reduce mistakes and refine ethical values with each passing day. Therefore, all leading cadres should constantly conduct self-examination in order to politically and ethically step up self-accomplishment. In other words, they should make constant efforts to enhance the party spirit; temper themselves in accordance with the party spirit; cultivate a habit of conducting self-examination three times a day; often contemplate on their own behavior; and examine their own style. They should examine themselves so as to see whether or not their remarks, behavior, and thinking are commensurate with the basic Marxist theories; whether or not they have met political requirements set by the

CPC Central Committee; whether or not they have met criteria for a communist party member; and whether or not they have abided by the norms governing inner-Party activities. Once a certain deviation is found, they should conduct "self-censure" and correct it rather than accommodate themselves to it. Besides, they should never forgive themselves or indulge themselves in it, thinking that others would never know about it. By adhering to self-examination, we can politically and ethically restrict ourselves; correct small mistakes; and prevent small mistakes from turning into big ones.

Self-alert means that we should warn and alert ourselves. There are two types of self-alert. One is that we should warn ourselves against violating political principles and ethical standards; The other is that we should alert ourselves to other people's lessons and warn ourselves against repeating other people's mistakes. Some ancient and contemporary Chinese and foreign mottoes have also stressed self-alert. Both types of "self-alert" are of great significance to enhancing the party spirit among cadres and improving cadres' political and ethical quality. Leading cadres should always require and restrict themselves in accordance with the party's political requirements and standards as well as the state laws and regulations and warn themselves against deviations in this connection. Meanwhile, all leading cadres should try to learn from negative examples and warn themselves against similar mistakes. At present, the whole party is facing an arduous anti-corruption task. Therefore, all leading cadres should try to be strict with themselves; honestly perform official duties; draw a lesson from certain law-violation, corruption, and degradation cases; warn themselves against similar mistakes; and resolutely resist corrosive influence of decadent ideologies and life styles. So long as we frequently alert ourselves, we will always feel like standing on the brink of an abyss and walking on thin ice, thereby more effectively guarding ourselves against consciously violating the law. Many cadres have made mistakes because they had failed in self-alert; turned a blind eye to party discipline and state laws; regarded the party discipline and state laws as a trifling matter; and left things to chance, thinking that they would never be penalized by party discipline and the state law. However, when they were finally brought to justice in accordance with party discipline and the state laws, they would regret having done those things, but it was already too late.

Self-encouragement means that we should encourage and urge ourselves. By self-alert, we mean that we should warn ourselves against making mistakes, this being a passive prevention in nature. However, by self-encouragement, we mean that we should encourage

ourselves to strive forward to score more successes, this being a positive action in nature. While advocating self-respect, self-examination, and self-alert, we should not try to turn leading cadres into overcautious people afraid of making mistakes in doing everything. The leading cadres at all levels should make constant efforts to heighten vigilance and guard against all possible mistakes. However, in the meantime, they should also be brave in pressing ahead with and be bold in exploring and carrying out the party's and people's cause. All leading cadres should try to encourage themselves with lofty ideals, great causes, and so on; cultivate a sense of mission and a sense of responsibility so as to distinguish themselves from ordinary citizens; successfully carry out work in their official capacity; do more things and work more diligently for the party and the people; conduct more theory study; firmly cultivate a Marxist world outlook, a Marxist outlook on life, and a Marxist outlook on values; actively strive forward; learn from Kong Fansen, Zhang Mingqi, Li Runwu, and some other outstanding leading cadres; consciously advocate healthy tendencies and resist unhealthy tendencies; and forever maintain the true qualities of the communists and public servants of the people. So long as all cadres conduct self-encouragement, our cause will have a very good chance of success.

By carrying out the "four selves," leading cadres at all levels should try to gradually achieve "cautious independence." By "cautious independence," we mean that while working alone without supervision or given a chance to do bad things with the slightest possibility of being discovered, a leading cadre should still adhere to a correct political faith and a correct ethical standard; do things in accordance with correct political and ethical standards; and refuse to do bad things. By "cautious independence," we should not demand that leading cadres shut themselves up and ponder over their mistakes in disregard of social practice. Comrade Jiang Zemin said: After being promoted to a higher position and acquiring more power, some leading cadres started easing up on control of themselves. After acquiring more power, a leading cadre will definitely have fewer people to supervise him, but more people to make use of and flatter him. If he failed to be strict with himself or failed to receive education and supervision from a party organization in a timely fashion, he would inevitably make mistakes. Some problems, especially some economic problems, on the part of cadres are closely associated with a lack of "cautious independence" on the part of leading cadres. Some leading cadres took bribes and embezzled public funds, thinking that they would never be discovered. As a consequence, clever people became victims of their own cleverness and brought disgrace and ruin upon themselves. Thus we should energetically advo-

cate self-respect, self-examination, self-alert, and self-encouragement among cadres in accordance with Comrade Jiang Zemin's instruction and try to help all leading cadres achieve "cautious independence" and behave well while working alone, away, and without supervision.

Both "four selfs" and "cautious independence" are aimed at improving and heightening ideological, political, and the ethical quality and standard of cadres at all levels and at turning all of them into good party members and cadres. Comrade Jiang Zemin stated: "Leading cadres should first try to become dignified people." What type of dignified people? Comrade Mao Zedong stated in an article entitled "In Memory of Norman Bethune" that all cadres should try to become a noble man, a pure man, a man with moral integrity, a man without vulgar interests, a man beneficial to the people.

The "four selfs" has in no way suggested that external education, assistance, and supervision are unnecessary. Self-accomplishment and external supervision of leading cadres form a dialectical unity. Self-accomplishment should be conducted in accordance with external requirements and made commensurate with external requirements. However, external requirements, education, assistance, and supervision should be realized in the course of internal ideological movement and accomplishment. Thus both self-accomplishment and external supervision are indispensable to improving quality of leading cadres. All leading cadres should adhere to the "four selfs" and advocate "cautious independence" while the party organizations at all levels should set strict requirements; strengthen management; and step up supervision. We should try to establish and perfect a bottom-to-top and a top-to-bottom supervision mechanism for leading cadres and within party committees; enlarge inner-Party supervision channels; give full play to roles of mass supervision and public opinion supervision; attach great importance to cadres' ideological and style building; study ideological realities among cadres; try to criticize, educate, and help cadres in a timely fashion when problems are discovered; and try to tackle problems at the embryonic stage. All leading cadres should consciously accept education, supervision, and assistance from the party organizations and the broad masses of people; take part in all sorts of activities organized by the party organizations like ordinary party members; and never try to turn themselves into a special group above the party organizations and disciplines.

PRC: North Fleet Succeeds in Submarine Rescue Drill

*HK2507024596 Beijing JIEFANGJUN BAO
in Chinese 13 Jul 96 p 1*

[Dispatch by Xu Sen (6079 2773): "North China Sea Fleet Organizes Varied Arms of Service To Coordinate in Submarine Exercise"]

[PTS Translated Text for FBIS] Qingdao, 12 Jul (JIEFANGJUN BAO)—In a certain area in the Yellow Sea on 10 July, the North China Fleet succeeded in organizing airborne units, fighter-vessels, aid boats, and oceangoing rescue ships to coordinate in rescuing a submarine which encountered an "accident." This indicated a new level reached in the Navy's overall rescue ability and the ability of the submarine units to rescue themselves.

The navies of all countries have always attached great importance to the topic of rescuing submarines. Proceeding from actual combat, the North China Fleet has in recent years seriously sought ways to increase the ability of the submarines to survive and save themselves in future operations and to increase the ability of the rescue units. All the operations in the current drill, from the joint search by the naval and air units and positioning to saving the submarine personnel from danger, were carried out under a tactical background. The application of some new equipment played a remarkable role in increasing the rescue ability. The use of choppers to guide the search and positioning on the surface enormously increased the pace of the search and accuracy of the positioning. The use of underwater monitoring and tracking system not only enabled the units to monitor the situation under the water but also enabled the commander to use the screen to directly command the divers' underwater rescue operation.

PRC: Commander on Military Titles

*OW2407042096 Haikou HAINAN RIBAO in Chinese
2 Jul 96 pp 1, 3*

[Article by Hainan Military District Commander Xiao Xuchu: "Clearly Understand and Implement Well Work of Appraising and Conferring Military Titles on Reserve Military Officers"]

[FBIS Translated Text] The Central Military Commission [CMC] has recently issued "Directives on Appraising and Conferring Military Titles on Reserve Military Officers." This is another important measure taken by the CMC following its promulgation of the "PRC Reserve Military Officers Law," with a view to improving further the reserve military officer system, straightening out work related to reserve military officers, and

strengthening national defense reserve strength. As appraising and conferring military titles on reserve military officers represents a major event in strengthening China's national defense reserve forces, we should conscientiously study and implement the CMC's directives by strictly enforcing the relevant policies and regulations to ensure mission fulfillment.

The appraisal and conferment of military titles for reserve military officers is a pressing need in strengthening national defense reserve strength. Officers serving the reserve units are the backbone of our national defense reserve forces and the major source of officers to be recruited when our Army expands during wartime. Establishing a contingent of reserve military officers with appropriate size, rational distribution, fine quality, and swift mobilization should meet the requirements of modern warfare under high technological conditions, and is a strategic mission in strengthening national defense reserve strength and safeguarding national security and unification. The party's Central Committee, the State Council, and the CMC have attached great importance to and shown deep concern over the building of reserve military officers by taking a series of measures to improve the system. The CMC's current move of appraising and conferring military titles to reserve military officers nationwide will have an even greater role to play in further strengthening building of both reserve military officers and national defense reserve units.

General Secretary Jiang Zemin has repeatedly pointed out that "both economic development and national defense construction should be equally taken care of and should not take care of one end only"; that "while strengthening military construction, we must attach importance to building reserve strength; it is necessary to carry forward the fine tradition of party controlling the Army and make efforts to build a strong militia reserve force"; and that "to build a modernized national defense, it is necessary to integrate high-quality conventional forces with strong reserve forces." In recent years, with strong support from relevant state departments, much has been done in improving the reserve military officer system and in strengthening reserve forces in accordance with General Secretary Jiang's instructions and the CPC's demands, including nationwide registration of reserve military officers, promulgation of Reserve Units Cadre Management Procedures, and formulation of a subsidy system for reserve military officers based on assignments and training time. Implementation of the "Reserve Military Officers Law" promulgated by the Standing Committee of the National People's Congress last year has placed building of a contingent of reserve military officers on a legal track, providing legal protection and reliance to

ensure smooth work performance. The CMC's current decision on appraising and conferring military titles to reserve military officers is an important step in implementing the "Reserve Military Officers Law," fully reflecting not only the CMC's concern and care over building of reserve military officers, but also the objective requirement on building reserve military officers under the new situation. The decision will certainly have a positive and far-reaching impact on enhancing national defense awareness among the entire population and on strengthening building of national defense reserve strength.

The appraisal and conferring of military ranks for reserve officers is an important indicator for intensifying the process of regularizing a contingent of reserve military officers. Military ranks for reserve military officers are titles and indicators that differentiate military officers' ranks and indicate military officers' identities. Because reserve military officers are both service members and civilians, ordinarily scattered throughout various trades and professions, some comrades readily have a poor concept of national defense. Without explicit military ranks, it would be cumbersome for some people who have been registered as officers in reserve forces or who are probationary officers on active service to execute their duties. Also, they cannot coordinate with active duty personnel who follow a system of military ranks. With a system of military ranks for reserve officers, we can effectively rectify the shortcomings whereby we simply administered and commanded reserve personnel according to their various duties and grades. It will be conducive to strengthening reserve officers' concept of national defense and their awareness as "soldiers." Once a war breaks out, we will gain time in rapidly mobilizing them, and promptly transferring them from reserve to active duty. It will also be conducive to strictly educating, training, and administering reserve officers, thereby enhancing their capabilities in leading troops to carry out various tasks. Furthermore, it will be conducive to commanding and administering reserve personnel under special circumstances, as when established systems have been disrupted and when jurisdictions and superior-subordinate relations are confused while military units are conducting urgent, difficult, dangerous, and important missions. Military ranks for reserve officers will play remarkable roles in adjusting superior-subordinate relations in the reserve forces and in enhancing relations between the army and reserve forces and between localities and reserve forces.

Appraising and conferring military ranks on reserve officers is conducive to strengthening their sense of honor and responsibility. Military ranks, an honor conferred by the state to soldiers, serve to protect soldiers' sta-

tus and rights. Appraising and conferring military ranks for reserve officers reflects the concern and care of the party Central Committee, the State Council, and the CMC for reserve officers and is a great encouragement for the broad masses of reserve officers. With the appraisal and conferment of military ranks, reserve officers will deeply appreciate the concern of the party and government, the people's trust, and the army's great trust. Consequently, they will particularly value the honor and live up to the trust and expectations of the party, government, and people. Once reserve officers are wearing military rank insignias, they will pay more attention to the responsibilities on their shoulders; always firmly remember our army's objectives of wholeheartedly serving the people; demand that they measure themselves strictly in accordance with soldiers' standards; self-consciously obey orders and commands; immediately come forward when summoned; be particular about their appearance and bearing; abide by discipline; and respect themselves, so as to play a better role as backbone in safeguarding and constructing the motherland. The appraisal and conferment of military ranks can also encourage reserve officers to make greater efforts to forge ahead; to transfer their enthusiasm and stamina into actual deeds for enhancing the reserve strength for national defense; to actively join in military training, combat-readiness duties, and political education programs; to efficiently and competently accomplish various tasks assigned by their superiors; and to attain meritorious achievements while executing their sacred duties.

PRC: PAP Undertakes Thorough 'Changing of Guards'

HK2407062796 Hong Kong SOUTH CHINA
MORNING POST in English 24 Jul 96 p 10

[By Willy Wo-Lap Lam]

[PTS Transcribed Text for FBIS] The People's Armed Police (PAP) have undertaken a thorough changing of the guard after the removal of the protege of President Jiang Zemin, Ba Zhongtian, in February.

Since the spring, four deputy commanders and two deputy political commissars have been appointed.

Also installed were a director of the Political Department and commissar of the Logistics Department.

The new officers complement Commander General Yang Guoping, who succeeded General Ba.

"The new officers reflect the principle of the 'five lakes and four seas', meaning that promotions should be given to those from different backgrounds and regions," a military analyst said.

"Mr Jiang was criticised for trying to form a Shanghai faction by elevating General Ba from Shanghai."

The four deputy commanders are Lieutenant-General Zhu Chengyou, a former vice-commander of the Chengdu Military Region; Major-General Zhu Shuguang, formerly head of the Security Department of the General Political Department; Major-General Zhang Jinbao, Vice-Commander of the Army Command Academy in Nanjing; and Major-General Wu Shuangzhan, who is also the PAP's chief of staff.

The two new deputy commissars are Major-General Sui Shengwu, formerly political commissar of the Fujian Military District; and Major-General Zhang Yuhong, formerly the director of the PAP's Political Department.

General Zhang's replacement as head of the Political Department is Major-General Li Dongheng, a former political commissar of the 39th Army.

The new commissar of the Logistics Department is Major-General Zhang Ming, from the Navy.

Almost all of the PAP top brass spent the bulk of their careers in the People's Liberation Army. Military analysts said this reflected the fact that since late 1995, the PAP had been put under the virtual control of the Central Military Commission.

The analysts said the ranks of the new appointees were surprisingly high, which might suggest that the PAP as a whole had been upgraded to the same level as the Army, Navy and Air Force.

The PAP deputy commander would not until now have been an officer as senior as General Zhu Chengyou.

Army sources said the PAP would now go ahead with its plan to expand from about 850,000 men to about one million.

They said many PLA soldiers would be demobilised in the coming few years and re-absorbed by the PAP.

General

PRC: Chen Jinhua on Economic Situation

OW2407130396 Beijing XINHUA Domestic Service
in Chinese 1008 GMT 23 Jul 96

[By Central People's Broadcasting Station reporter Yi Shuzhen and XINHUA reporter Zhang Jinsheng]

[FBIS Translated Text] Beijing, 23 Jul (XINHUA) — At a news conference for Chinese and foreign reporters held by the State Council Information Office on 23 July, Chen Jinhua, minister of the State Planning Commission, said that a good start has been made in the first year of the Ninth Five-Year Plan of our country and the national economy is developing in a sustained, rapid, and healthy manner. Macroeconomic trends in the first half of this year show that if no unexpected natural disasters occurs, it is possible to hit the target for macro regulation and control.

Chen Jinhua said that this year is the first year of the Ninth Five-Year Plan. Viewed from the situation of the first half of the year, the plan was properly carried out, the balance in total social supply and demand was further improved, a good momentum of economic growth was maintained while making obvious progress in controlling inflation, and the major aspects of macroeconomic operation basically met the demands of the regulation and control targets approved by the National People's Congress at the beginning of the year. It can be said that the macroeconomic situation in the first half of this year showed that a good start has been made in the Ninth Five-Year Plan.

Chen Jinhua gave an account of the macroeconomic situation in the first half of the year in seven aspects:

First, a momentum of rapid growth was maintained in the economy. At the beginning of the year, the target of an 8 percent growth in the gross domestic product (GDP) for the whole year was put forward. In the actual implementation of the target, the GDP reached 2,975.6 billion yuan, and calculated according to comparable prices, it was 9.8 percent over the same period last year. Compared with other countries, this growth rate is still a high speed and is basically suited to the current conditions of our country.

Second, good results were made in curbing inflation. At the beginning of this year, it was planned that the rate of rise in retailed prices of social commodities this year should be further lowered from 14.8 percent last year to about 10 percent. As the result of various effective measures to curb inflation, in the first half of this year, the general level of retailed prices of commodities of the whole country was 7.1 percent over the same period last year and the consumption prices of residents was

9.2 percent over the same period last year, and the increase rates in June were respectively 5.9 percent and 8.6 percent. The drop to one digit in the increase rate of the retailed commodity prices has continued for eight months running; and the drop to one digit in the consumption prices of residents has also continued for sixth months. In future, as long as we do not relax our efforts, it is certain the target of controlling the commodity prices of the whole year can be realized according to this momentum of development.

Third, agriculture was further strengthened and a relatively good summer grain harvest was reaped. The total output of summer grain of the whole country increased by more than 7 billion jin, exceeding the highest level in history; and the output of early rice is also expected to increase, which will lay a foundation for a good agricultural harvest of the whole year. An important feature in agricultural production this year is that the state has raised the prices of grain procured with fixed quotas, the peasants' enthusiasm has been aroused, and an unprecedented good situation in the production and sales of tractors and other means of agricultural production has emerged.

Fourth, industrial production continued to growth. In the first half of this year, industries at and above the township level of the whole country completed 909.8 billion yuan of added value, and calculated according to comparable prices, it was 13.2 percent over the same period last year. The product mix was also readjusted to a certain extent. The production of energy sources and raw materials increased steadily and the output of salable electronic products and household electrical appliances also increased quite fast. Greater efforts were made to carry out the reform of "grasping the big [enterprises] while giving greater flexibility to the small." Compared with the previous months, the situation of the efficiency of enterprises tended to take a turn for the better after May.

Fifth, the growth in investment demands and consumption demands was relatively appropriate. In the first half of this year, the investment in fixed assets of the whole society was 18.6 percent over the same period of last year, and, allowing for price factors, the actual growth was about 12 percent. The progress of state key construction projects was speeded up, and 131 state key construction projects completed 39.4 percent of the planned annual investment in the first half of the year, 4.9 percentage points over the same period last year. The urban and rural markets were brisk and stable. In the first half of the year, the total retailed volume of consumer goods of the society was 21.2 percent over the same period last year, and, allowing for price factors, the actual growth was 13.2 percent. The market

supply of commodities was ample and the reserve of major commodities increased.

Sixth, the growth in financial revenue was quite fast and the financial situation was stable. The appropriately tight financial and monetary policy was implemented quite well and the new financial and taxation system was further perfected. In the first half of this year, the financial revenue of the whole country was 17.7 percent over the same period last year, financial spending increased by 15 percent, and the spending growth rate was 2.7 percentage points less than the revenue growth rate. There was continued progress in financial reform. Through strengthening the management of the asset liability ratio, setting up a unified national call-money market of the respective trades, extending discount on checks, developing the open treasury bond market, and so on, financial management was strengthened and the indirect regulation and control ability of the central bank was increased. Bank savings of urban residents continued to increase quite fast. In the first half of this year, money supply was more or less appropriate and the situation of the issuance treasury bonds was good.

Seventh, import and export trade was basically balanced and foreign economic cooperation was further expanded. In the first half of this year, the total volume of foreign trade import and export was \$127.24 billion, 0.6 percent over the same period last year, of which export was \$64.1 billion and import \$63.2 billion. Foreign capital use continued to increase and the actual direct investment made by foreign businessmen in the first half of this year was \$19.6 billion, 20 percent over the same period last year. The situation of international income and spending was good and the state foreign exchange reserve already reached \$86.6 billion at the end of June.

Chen Jinhua said that since the beginning of this year, the building of the socialist spiritual civilization has been evidently strengthened while reform continues to deepen and the economy continues to develop in a sustained manner. Achievements in education, science, technology, culture, public health, sports, environmental protection, and other social undertakings, have also been made.

Chen Jinhua pointed out that of course, we still have difficulties and problems of this kind of that in the course of development. The conspicuous ones in the first half of this year were the decrease to a certain extent of the industrial production and marketing rate, the decrease in profits and the increase in losses of enterprises, and relatively great difficulty in the production and operation of some state-owned enterprises. In the final analysis, the causes to the emergence of such a situation were, in addition to the aftereffect of intensified inflation in

the last few years: the enterprise reform cannot meet the needs of the establishment of a socialist market economy structure, and the structural readjustment cannot meet the needs of changes in market demand and the competition environment. We are energetically adopting measures to speed up the enterprise reform, increase the strength of structural readjustment, and promote the two fundamental changes in the economic structure and the mode of economic growth.

In answering a reporter's question "whether or not the decrease month after month in the rate of price rise and the decrease of the pressure of inflation imply changes in the strength for macro regulation and control," Chen Jinhua pointed out that an important reason why a good start has been made in the first year of the Ninth Five-Year Plan is that we have implemented an appropriately tight financial and monetary policy. Practice has proved that it is correct to implement this policy. In the second half of this year, it is necessary to continue to do a good job in macro regulation and control so that the macroeconomic environment can be further improved. Some fine-tuning will be made in good time according to the situation of the economic operation. It is necessary to use credit to support the readjustment of the economic structure, support agricultural development and the procurement of agricultural and sideline products, and support the increase in export and some state-owned enterprises which have a market and high efficiency, and it is also necessary to strengthen the construction of key projects which will have high efficiency and a market, so that the entire national economy will continue to maintain a good momentum of development.

In answering a reporter's question "whether or not the current disasters of floods and water-logging will affect the realization of the economic target of the whole year," Chen Jinhua pointed out that at present, floods and water-logging are confined to some localities and the dry spell in areas in the north is over. Besides, the state has raised the grain procurement prices, improved the supply of materials for agricultural production, and aroused the enthusiasm of the broad masses of peasants. It can be said that the current floods and water-logging will not affect the realization of the macro regulation and control target of the whole year.

In answering to a reporter's question concerning the situation of foreign trade in the second half of this year, Wang Chunzheng, vice minister of the State Planning Commission, said that in the second half of this year, the state will take measures to expand foreign trade export and to open up new pluralistic market while developing the traditional market. Foreign trade export in the second half of this year can be expected to maintain a steady growth.

PRC: Zou Jiahua Stresses Market Role in Economic Development*OW2407163796 Beijing XINHUA in English
1504 GMT 24 Jul 96*

[FBIS Transcribed Text] Tianjin, July 24 (XINHUA) — Chinese Vice-Premier Zou Jiahua said that market demand should be a top consideration for the development of the economy.

During a tour to the port city of Tianjin in north China from July 21-24, Zou said enterprises should make great efforts to research and adjust to market demands.

Adjustment in industrial structure and the restructuring of organizations within an enterprise should be done with the market in mind, he said.

An enterprise should not lose sight of the market when developing products and upgrading technology, he added.

Enterprises should provide a complete account of the market demand when they plan to launch a project, he said.

The vice-premier called for proper handling of the relationship between the scale and efficiency of an enterprise, noting that it is pointless to blindly seek large-scale businesses.

PRC: Market Oriented Management Needed To Solve Problems*HK2507065096 Beijing CHINA DAILY in English
25 Jul 96 p 1*

[By Xu Binglan: "Firms' Fate In Market"]

[PTS Transcribed Text for FBIS] "Dive into the market" is the advice given to China's State enterprises to help speed their transformation into "market-oriented" corporations.

"Only under real market pressures will the enterprises change their operations," said Chen Qingtai, vice-minister of the State Economic and Trade Commission.

Chen's remarks were made at a symposium his commission and the State Administration of State Property (Sasp) organized for government and company officials who are responsible for reforming the 300,000 enterprises.

He said that the change to market-based operations is urgent because State enterprises are still suffering from an outdated management style.

In the first quarter of this year, he said, State enterprises operated at a profit in about only one quarter of

the country's provinces, autonomous regions and municipalities.

Yet, unprofitable State enterprises have no reason to complain about the government's tight economic policy, he added, because the country's 10-per cent economic growth rate during the first half of the year is already fast enough and does not justify further easing of monetary policy.

"Market-oriented management is the only solution to such enterprises' problems," he said.

He praised the ongoing restructuring of the industries — realized mainly through mergers and bankruptcies — saying it has promoted the building of competitive mechanisms and larger enterprise groups.

Chen recommends that State enterprises should take further measures to redistribute their 20 million surplus employees, who cause an annual financial burden on their employers of at least 100 billion yuan (\$12 billion).

The tackling of this problem requires governments to accelerate the building of the social-security system, he said.

In addition, government departments should further disengage themselves from enterprise management and should let the firms be responsible for their own profits and losses, he said.

Even after returning management responsibilities to the enterprises, the State will be able to assure the growth of State assets through the work of supervision commissions sent to the enterprises. These commissions consist of government officials, experts and enterprise workers, he said.

During the past three years, progress has been made in granting exporting rights to manufacturing enterprises, and those enterprises can expect more exporting rights in the future, he said. Chen said that the 3,400 enterprises that have gained exporting rights since 1992 earned \$30 billion from exports in 1995, contributing 20.2 per cent of China's total exports, as compared with only \$9.35 billion, 10.1 per cent, in 1993.

PRC: Open Policies Benefit Insurance Industry*OW2507023396 Beijing XINHUA in English
0205 GMT 25 Jul 96*

[FBIS Transcribed Text] Shanghai, July 25 (XINHUA) — China's preliminary experiment in opening its insurance market is benefiting both foreign insurance companies and the nation's fledgling insuring business.

The American International Assurance Company, whose business has expanded greatly since it opened a branch

in Shanghai four years ago, has helped introduce advanced insurance expertise into China, a local official said.

The scope of insurance coverage in China, as a result, has widened, and the number of insurance products increased, he added.

AIA has also helped establish a complete system for evaluating, licensing and training insurance agents, as well as a supervision system.

China first opened its insurance market to international competition in 1992, when AIA took the lead by setting up a branch in Shanghai. Last January, AIA opened its second branch in Guangzhou, capital city of South China's Guangdong Province.

Besides life insurance, AIA China branches are also allowed to sell property, marine and financial insurance policies to foreign-funded enterprises.

Following AIA, the Tokyo Marine and Fire Insurance Company of Japan also entered the China market by opening a branch in Shanghai in July, 1994.

Industry officials say China is ready to open its insurance market in a gradual and planned manner to encourage fair competition and promote the domestic insurance sector.

PRC: Economic Performance Shows Steady Progress in All Sectors

*HK2507065296 Beijing CHINA DAILY in English
25 Jul 96 p 4*

[By Wang Hui: "State Firms Reform, But Efficiency Stays Low"]

[PTS Transcribed Text for FBIS] A review of China's economic performance in the first six months of 1996 indicates steady progress in all industrial sectors, reflecting the expansion of enterprise reform.

The first six months saw China's industries grow by 13.2 per cent over the same period last year, with a value-added output of 909.8 billion yuan (\$109.6 billion), a spokesperson for the State Statistics Bureau revealed last Friday.

The State has been sticking to a "moderately tight" monetary policy in an attempt to exert macro control over the national economy. And efforts have been made to adjust the product mix of the industrial sectors to make them more adaptable to market demands.

From April to June, China's State-owned industrial enterprises made an overall profit, turning around an embarrassing net loss in the first three months of the year.

For January-May 1996, the total profits made by the State industrial enterprises topped 300 million yuan (\$36.1 million), said Ye Zhen, the bureau spokesperson.

Compared with the total profits of 31.8 billion yuan (\$3.8 billion) made by the country's entire industrial sectors, the profits of the State enterprises are small but signify that these firms have begun to fare better, said Ye.

To give more support to the State firms, Chinese financial organizations have increased their credit loans to those with good economic returns and market prospects. Newly extended bank loans to State enterprises reached 103.9 billion yuan (\$12.5 billion) in the first six months of this year. And this policy is to be retained, the spokesperson added.

Meanwhile, a pilot programme to set up modern corporate system has been in full swing in 100 State enterprises.

The success of these efforts is marked by China's two iron and steel giants, Anshan and Handan, which had estimated profits of 176 million yuan (\$21.2 million) and 306 million yuan (\$36.9 million) respectively during the first six months.

The State Economic and Trade Commission has chosen 18 cities as the pioneers to adjust the allocation of funds in a bid to improve the efficiency of usage of funds.

According to Guangming Daily, the debts of State firms in the pilot cities have already been reduced by a total of 10.1 billion yuan (\$1.2 billion).

An experiment of establishing 56 enterprise groups on the basis of key firms has also achieved good initial results.

By defining property rights more clearly and making their product mix more rational, the financial capacity of affected enterprises has been strengthened.

But in spite of these achievements, the current climate for State firms is not stable as great difficulties and challenges remain.

On the whole, economic efficiency is falling in State firms and many of them are operating in the red despite continuous government assistance.

Statistics suggest that about 40 per cent of State firms are operating in the red.

Over the first six months, the value of products in stock of all industrial firms was 509 billion yuan (\$61.3 billion). State industrial firms accounted for 257.9 billion yuan (\$31.07 billion) of this total, a rise of 20.8 per cent over the same period last year.

Many State firms have been forced to suspend production. The number of laid-off employees has reached 7.5 million, with many living in difficult conditions, said Ye.

Among the many reasons for the State enterprises' problems, the key one is that they have not yet adapted themselves to the transition from a planned economy to a market one.

Burdened with heavy debts, the need to provide basic guarantees for their current and retired employees, backward management and out-of-date facilities, some of these firms find it impossible to adapt to fierce market competition.

There are also more immediate reasons for the demise of some of the State firms.

Ye explained that the cut in tax rebates to exporters has dampened the enthusiasm of industrial enterprises, especially export-oriented textile firms.

Other unfavourable factors, such as the rises in the costs of sales promotion, wages and interest rates, have caused an increasing number of industrial firms to lose money.

To address these problems, the State should accelerate enterprise reform in the remainder of 1996. It should make efforts to remove both the immediate and more deeply rooted hurdles for the State firms.

Only by doing so can the 1996 goals for macro adjustment be met, the spokesperson warned.

PRC: High Tech Industry Bolsters Chang Jiang Delta Development

*OW2407151196 Beijing XINHUA in English
1054 GMT 24 Jul 96*

[FBIS Transcribed Text] Shanghai, July 24 (XINHUA) — With just 500 employees, Shanghai's Beiling Micro-Electronics Company does 400 million yuan in business annually, which is two-thirds of the annual production value of Shanghai's entire micro-electronics industry.

The eight-year-old company, located in the Caohejing Hi-Tech Development Zone, manufactures integrated circuit boards each containing 300,000 transistors, and is rated one of the most advanced and efficient companies of its kind in China.

It serves as an example of successful manufacturers in hi-tech development zones in the Chang Jiang Delta, one of China's economic powerhouses.

The 6-sq-km development zone now has 500 companies, 150 of whom are overseas-funded. Major multinational-

als, such as AT&T, GE, 3M, ICI, Philips, Toshiba, and Dupont, have subsidiaries in the zone.

The zone has a range of hi-tech industries in micro-electronics, bio-engineering, new materials, automation meters, aviation, and space technology, and had a total turnover of ten billion yuan in 1995, an average of 150,000 yuan per person, three times the figure for workers in Shanghai.

Wang Shenghong, chairman of the Joint Development Company of the development zone, said that it had succeeded initially in introducing and developing high technologies.

"In the future our zone will try to formulate new procedures and methods and introduce systems that will be compatible with international practices," he said.

Major manufacturers in the Chang Jiang Delta are now shifting to relying on science and technology to increase the value of their products.

The strategy of improving the economy by means of science and technology is being pursued in many cities in the delta, so that science and technology will contribute 50 percent to increased production value in the year 2000, up from 30 percent in 1995. Six hi-tech development zones have been established in the cities of Shanghai, Nanjing, Wuxi, Changzhou, Suzhou, and Hangzhou.

The 1,500 manufacturers in the zones reported a total of 40 billion yuan in business in 1995, up 20 percent from the previous year.

Lying on the northern part of the Chang Jiang Delta, Jiangsu has had rapid economic growth since China started its policy of reforms and opening up to the outside world in 1979.

The combined value of the province's industrial production amounted to 1.5 trillion yuan last year, more than any other province in China.

In contrast to this, however, developed countries' science and technology contribute 60 to 80 percent to increased production, far higher than in Jiangsu, said Chen Huanyou, secretary of the Jiangsu Provincial Committee of the Chinese Communist Party.

"So, we must speed up scientific and technological progress and improve the competitiveness of manufactured goods made in Jiangsu," he explained.

Four national-level hi-tech development zones in Nanjing, Changzhou, Wuxi and Suzhou have reported sound growth of electronics information, new materials, bio-engineering, and pharmaceutical industries over the past few years.

The combined turnover of the zones is expected to come to 50 billion yuan in 1996, double the figure for 1995.

According to economists here, hi-tech enterprises in the zones will serve to increase growth in similar enterprises in local areas.

Cooperation with overseas companies will remain a major approach for the development of hi-tech industries in the Chang Jiang Delta for a long time to come, one economist noted.

PRC: Poor Economic Performance Plagues China's Auto Industry

OW2407150196 Beijing XINHUA in English
1130 GMT 24 Jul 96

[FBIS Transcribed Text] Beijing, July 24 (XINHUA) — China built 758,000 automobiles in the first half of this year, up 2.42 percent over the same period in 1995.

And the country sold 720,000 units in the same period, down a fractional 0.1 percent over the first six months of 1995, according to a report provided by the Automotive Industry Department, under the Ministry of Machine-building Industry (MMI).

The report says that both automobile production and sales of the country have maintained a downward movement with each passing month, bringing stockpiled automobiles up to 116,000 units in June, from 88,000 units earlier this year.

However, both production and sales of sedan cars have been on steady rise during the period.

Statistics show that China turned out 190,000 sedan cars and sold 182,000 in January-June, up 38.8 percent and 31.3 percent respectively.

However, sedan cars in stock soared to 19,600 units in the first half of this year, up 233.7 percent from the corresponding period of last year.

The production and sales of midget cargo trucks and passenger cars and buses rose steadily, but those of medium-duty trucks dropped 25 percent, the report adds.

According to the report, Chinese auto makers have produced utterly different economic results due to differences in management, and the products they sell.

Shanghai Automotive Industry Corporation, for example, has succeeded in pushing up its automobile production and sales, and minimizing the stock.

The company has increased its production by 48.6 percent and sales by 52 percent but scaled down the stock by 48.3 percent.

In the meantime, such automotive giants as Dongfeng Motor Corp., Yuejin Motor (Group) Corporation, and China National Heavy-duty Truck Corporation have been caught up in difficulties.

PRC: Output of Textiles in June

HK2307073396 Beijing CEI Database in English
22 Jul 96

[PTS Transcribed Text for FBIS] Beijing (CEIS) — Following is a list of the output of textiles in June 1996, released by the State Statistics Bureau:

Item	Unit	6/96	6/95
Yarn	10,000t	42.76	45.30
Yarn	10,000pc	237.96	252.09
Cloth	100m.m	15.47	17.28
Of: Pure Cotton	100m.m	7.50	9.27
Chemical Fiber	100m.m	5.46	4.86
Silk	10,000t	0.69	0.70
Silk Fabric	100m.m	2.89	2.68
Woolen Fabric	10,000m	3604.24	2586.20
Knitting Wool	10,000t	3.33	2.62
Garment	100m.pc	4.57	3.91

Note: t — ton, pc — piece, m.m — million meter, m.pc — million piece

Finance & Banking

PRC: Country's Largest Bank Reports Business Growth

OW2307155496 Beijing XINHUA in English
1501 GMT 23 Jul 96

[FBIS Transcribed Text] Beijing, July 23 (XINHUA) — The Industrial and Commercial Bank of China (ICBC), China's largest state bank, has made substantial progress in business expansion over the past six months due to improved operating efficiency, according to a bank official.

Statistics from the bank showed that at the end of June this year, ICBC's total income reached 109.1 billion yuan, 23.3 billion yuan more than in the same 1995

period, with its operating profits soaring to 3.7 billion yuan over the negative 300 million yuan registered a year ago.

By the end of June, the balance of loans granted by the bank had reached 1,512.6 billion yuan, 82 billion yuan more than at the start of the year and 29.6 billion yuan more than in the same period of the previous year.

According to the official, of the newly-added loans, 62 billion yuan industrial working capital loans were granted to well-run and marketable large and mid-size state enterprises in such fields as metallurgy, petrochemicals, railways, coal and textiles.

Fixed-assets loans worth 5.2 billion yuan were granted mainly to major state technical transformation projects; 10.8 billion yuan were commercial capital loans granted to support the reserves of important commodities.

During the January-June period, the bank's deposits increased steadily, with the balance of deposits reaching 1,657.8 billion yuan by the end of June, 155.6 billion yuan more than at the start of the year. They accounted for 76 percent of the year's target of increasing deposits.

In the first half of the year, the ICBC's foreign exchange profits totalled 260 million US dollars, making up 52 percent of the full-year target. At the end of June, the balance of foreign exchange loans was 8.4 billion US dollars, and the volume of settlement and surrender of foreign exchange reached 14.7 billion US dollars.

Meanwhile, the bank issued a total of 7.03 million Peony credit cards, with the transaction volume of the card hitting 183.5 billion yuan, accounting for 76.5 percent of the year's target.

In addition to self-operating businesses, the bank has also obtained 49 agent lending projects worth 50 billion yuan from the State Development Bank, and has acted as an agent for issuing 10.2 billion yuan worth of certificate treasury bonds.

The official said that in the first half of the year, the bank had made great efforts to support the major state projects, industries and large and mid-size state-run enterprises in particular.

From January to June, the bank granted 38.5 billion yuan loans to 40,000 state enterprises, accounting for 62 percent of the newly-added industrial working capital loans. In order to offer better service to state firms, it also helped 458 firms set up settlement centers.

The official said that in the second half of the year, the bank will continue to support the state sector by giving loan grant priority to 300 backbone enterprises.

"As the largest state bank, the ICBC will take positive measures in the second half to support well-run state enterprises and such export-led industries as machinery and electronics. It will also help boost the reform of the housing construction and allocation system, strictly control loans for infrastructure and appropriately increase loans to support technical transformation," he noted.

PRC: Chang Jiang Delta Emerges as Financial Center

*OW2407091696 Beijing XINHUA in English
0837 GMT 24 Jul 96*

[FBIS Transcribed Text] Shanghai, July 24 (XINHUA) — China's Chang Jiang delta has become the most financially bustling area in China, with a density of financial service facilities unmatched anywhere in the country.

Shanghai, the country's largest industrial and commercial center, has seen the number of financial points and outlets double since 1990 to exceed 2,700.

"Residents are visiting banks and other financial service facilities more often than ever to deposit and withdraw money, trade in securities and foreign exchange, and pay telephone and gas fees," said an official at the Shanghai branch of the People's Bank of China, the central bank.

"Equity investors alone now number more than three million here," he said, adding that securities trading totaled more than 5.5 trillion yuan (about 654.8 billion US dollars) last year, nearly twice the 1994 figure.

Shanghai has already appeared as an embryo of China's financial center, the official said, pointing to the fact that the city has a concentration of 14 head offices or branches of domestic banks, five Chinese insurance companies, 38 operational foreign banks and 116 representative offices of foreign banks.

The trading price at the China Foreign Exchange Trading System, which has been electronically linked up with 23 local foreign exchange markets, has become a most important index for the local currency's market-driven exchange rate, the official said.

In Jiangsu Province, on the north side the Chang Jiang, there are now more than 15,000 financial service facilities, up from 8,000 in 1990.

In Zhejiang Province, on the south side of the Chang Jiang, there are nearly 6,000 commercial banks and branch offices and over 2,400 credit cooperatives.

An official at the central bank's Jiangsu branch office said that "the increase in the number of financial service

facilities is a reflection of economic development, as well as a need for further economic progress."

However, Jean-Pierre Vassaux, general manager of Shanghai Associated Finance Company, a Sino-French financial firm, said that the development of the financial industry in the Chang Jiang Delta is still primary, and the financial market has not been formed in the real sense.

"There still exists great room for the further development of financial institutions, including foreign ones," Vassaux said.

Observers say that the financial sector in the delta area will witness a great leap as China's market economy system keeps maturing, and foreign banks will be allowed to conduct business in the Chinese currency yuan.

PRC: First State Insurance Group Inaugurated

OW2307085596 Beijing XINHUA in English
0836 GMT 23 Jul 96

[FBIS Transcribed Text] Beijing, July 23 (XINHUA) — China's first state insurance group, the People's Insurance Company of China [PICC] (Group), was established today.

Its predecessor is the country's number one insurer, the People's Insurance Company of China.

The newly-founded insurance group has three subsidiaries, specializing in property, life insurance, and reinsurance. They are PICC Property, PICC Life and PICC Reinsurance.

The overseas branches of the People's Insurance Company of China become the group's direct affiliates, continuing with their businesses abroad as independent economic entities.

Ma Yongwei, chairman of the PICC, said at the opening ceremony in Beijing today that PICC, in line with international practice, is progressing with reform towards commercialization, and its three subsidiaries will gradually take the form of liability-limited companies.

Zhou Zhengqing, deputy secretary-general of the State Council, Dai Xianglong, governor of the People's Bank of China, and Xie Xuren, vice finance minister, attended the group's opening ceremony, together with a number of officials from the ministries under the State Council.

Dai Xianglong told the gathering that China will have more insurance companies in the coming years. However, the state insurance companies will still play a dominant role in the domestic insurance market, Dai added.

The group's predecessor, the People's Insurance Company of China, reported a remarkable business growth over the past year, and posted a total premium income of 47.6 billion yuan in 1995, a rise of 20.79 percent over the previous year.

China is a vast potential insurance market, and the national premium income is expected to reach 200 billion to 250 billion yuan by the end of this century, local observers say.

However, the maturing of the market means that the competition will become stiffer, economic analysts pointed out.

Foreign Trade & Investment

PRC: Guangdong Sets Rules on Sales of Foreign-Funded Products

OW2407023596 Beijing ZHONGGUO XINWEN SHE
in English 0136 GMT 24 Jul 96

[FBIS Transcribed Text] Guangzhou, July 23 (CNS) — Xu Dezhi, the director of the Guangdong Foreign Economic and Trade Commission, said today that Guangdong had set regulations for increasing the proportion of products of foreign-funded enterprises that could be sold on the domestic market. It was explained that the move was to attract more foreign investment.

The new measures are as follows: First, for joint ventures with over 50 per cent foreign shareownership and a total investment value of less than U.S.\$ 5 million, engaged in industries which are encouraged by the State, the new regulations state that 50 per cent of their products can be sold in the domestic market.

Second, for enterprises with an investment value of between U.S.\$ 5 million and U.S.\$ 15 million, 60 per cent of their products can be sold on the domestic market.

Thirdly, for enterprises with an investment value of over U.S.\$ 15 million, 100 per cent of the products can be sold domestically. For investment in agriculture and aquaculture, the proportion of products (including processed products) 100 per cent of products can be sold on the domestic market.

The new regulations also state that if foreign investors have joined with state-owned enterprises and over 25 per cent of the shares are foreign owned, 60 per cent of their products can be for domestic sales.

For hi-tech foreign-funded enterprises with total investment of over U.S.\$ 10 million and with products that reach international standards or pass ISO9000, 70 per cent of products can be sold domestically. Enterprises

in state-encouraged sectors in mountainous regions and islands, with total investment of over U.S.\$ 1.5 million and foreign shares of over 50 per cent, can sell up to 100 per cent of their products on the domestic market.

Guangdong maintains strict controls over the domestic sales of labour-intensive foreign-funded enterprises. In general terms, enterprises whose development is supported by Guangdong are mainly export-orientated. The proportion of sales in domestic market is in accordance with the supply and demand situation. The proportion of domestic sales of products of solely foreign-funded enterprises is controlled to within 25 per cent.

For foreign investment in sectors which are not encouraged for development, apart from specially approved projects, the proportion of domestic sales should not be over 10 per cent, no matter what the value of the investment is.

PRC: Guangdong To Seek Foreign Investors at HK Trade Fair

*HK2507071096 Beijing CHINA DAILY in English
25 Jul 96 p 5*

[By Zheng Caixiong: "Guangdong Seeks Cash At HK Fair"]

[PTS Transcribed Text for FBIS] Guangzhou — A total of 216 key projects in Guangdong Province will be luring overseas investment at a foreign investment and trade fair in Hong Kong early next month.

The projects involve energy, communications, light industry, machinery, electronics, metallurgy, chemicals, building materials, textiles, garments, medical supplies, food, beverages, agriculture and real estate.

"Foreign investors can try establishing joint ventures, setting up wholly-foreign funded firms and introduce BOT (build, operate and transfer) if they are interested in joining hands in these projects," said Xu Dezhi director of the Guangdong Commission of Foreign Economic Co-operation and Trade.

Xu said the prosperous province of Guangdong needs more foreign financial support to realize its modernization plan before 2010.

Meanwhile, a variety of products from Guangdong worth more than \$600 million will be displayed in a floor space of 2,000 square metres in the Hong Kong Exhibition Centre, with a view to expanding exports.

Provincial Vice-Governor Tang Binqun will head the big delegation attending the '96 Guangdong Foreign Trade and Economic Co-operation Fair, scheduled to take place from August 5 to 9.

Tang's group includes senior provincial and municipal government officials and managers from foreign trade companies in 21 cities in Guangdong.

Despite a few difficulties, Guangdong, which borders Hong Kong and Macao, continues to witness 6.3 per cent growth in actual use of foreign investment in the first six months this year, according to Guangdong attracted actual foreign investment of \$6.1 billion during January-June period this year, Xu said at a press conference on Tuesday.

And Guangdong signed \$11.33 billion worth of foreign investment contracts in the first half of the year, up 29.6 per cent compared with the previous year.

By the end of 1995, Guangdong actually used foreign investment worth \$53 billion in the past 17 years. And export volume reached \$218 billion during the period of 1978-96.

Guangdong has registered more than 60,000 foreign-funded firms and joint ventures and more than 30,000 processing firms. Guangdong has established trade relationship with more than 180 countries and regions around the world.

Stable economic growth has been reported in the first half of this year.

The province continued to strengthen macro-control in this period, and the gross national product rose 9.7 per cent over the same period last year, statistics indicate.

Total industrial value generated by enterprises above the county-level totalled 329.9 billion yuan (\$40 billion), up 16 per cent. The growth margin of light industry surpassed that of heavy industry.

During the period, 836,500 tons of grain were produced, up 1.8 per cent. Production in animal husbandry and fisheries has also developed steadily.

At the same time, the province invested 35.4 billion yuan (\$4.3 billion) in capital construction and renovation, maintaining the same level as last year.

PRC: Planning Commission on Principles for Using Foreign Loans

*OW2407022796 Beijing ZHONGGUO XINWEN SHE
in English 0133 GMT 24 Jul 96*

[FBIS Transcribed Text] Beijing, July 23 (CNS) — The Central Government's policy on the effective use of foreign capital must be observed when dealing with foreign loans during the current Five-Year plan period (1996-2000), said the spokesman for the State Planning Commission.

The spokesman said that some basic principles must be adhered to in order to achieve this end: First, as long as China can shoulder the resultant burden of debt, more foreign loans should be sought. These loans should be largely funneled into key projects.

Second, foreign loans should be injected into export-orientated projects in addition to infrastructural projects, primary industry and key industries. Export industries earn China most of its foreign exchange, and hence increase its ability to settle foreign debts.

Third, the number of long term loans with preferential conditions should make up a greater proportion of the total, while the number of short term commercial loans with greater risks should be reduced.

Fourth, more than 60 per cent of loans borrowed from foreign governments and international financial organisations should continue to go to central and western China. The loans should be injected into infrastructure projects that can make effective use of resources and promote economic development in central and western areas.

Lastly, China should adjust its foreign debt structure to ensure that the total debt payable in any one currency is proportional to China's foreign exchange revenue and reserves.

PRC: Chen Jinhua Talks of Foreign Investment, Trade

OW2407023196 Beijing ZHONGGUO XINWEN SHE in English 0134 GMT 24 Jul 96

[FBIS Transcribed Text] Beijing, July 23 (CNS) — Government policy on the introduction of foreign capital to the mainland remains unchanged, said Chen Jinhua, the minister of the State Planning Commission.

Mr Chen made the remark in reply to questions about whether China would soon tighten its policy on foreign capital.

He noted that the Chinese Government had already made a comprehensive statement clarifying this policy, saying that the government has made it clear that foreign businessmen were encouraged to invest in some particular projects but others were closed to them.

The minister said that striking successes had been achieved through cooperation between China and foreign investors in many sectors such as agriculture, water conservancy, transportation, communications and power. Mr Chen promised that China would continue to improve the investment conditions for foreign investors.

Foreign capital invested in mainland projects continued to grow during the first half of this year to hit U.S.\$

19.6 billion, up 20 per cent over the same period last year, he said. Foreign trade reached U.S.\$ 127.3 billion in the first six months of the year, a gain of 0.6 per cent. Exports were valued at U.S.\$ 64.1 billion and imports at U.S.\$ 63.2 billion.

Strong exports are vital to China's economic growth, Wang Chunzheng, vice-minister of the commission, also said at the press conference. China is aiming to expanding the export market further in the second half of the year. Export enterprises that enjoy a good international market will continue to qualify for financial support.

However, Mr Wang stressed that state support for export enterprises would be given only in strict accordance with international practices. The implementation of tax rebate policy for exports will be accelerated, but exports will have to be of a higher standard to qualify. As export trade improves, imports will also increase. Imports are expected to record steady growth in the second half of this year, he said.

PRC: Total Foreign Investment Stands at \$146 Billion

OW2407092796 Beijing XINHUA in English 0841 GMT 24 Jul 96

[FBIS Transcribed Text] Beijing, July 24 (XINHUA) — China has drawn a total of 146 billion U.S. dollars' worth of contractual overseas investment in more than 270,000 joint ventures across the country, today's Shanghai Securities News reports.

This makes China the second largest recipient of international investment in the world, only after the United States.

In the first four months of this year, 10,756 new foreign-funded joint ventures were set up, using a combined contractual overseas investment of 35.3 billion U.S. dollars, an 84 percent increase over the same period of last year.

PRC: AT&T Shanghai Said Good Model for High-Tech Joint Ventures

OW2507020796 Beijing XINHUA in English 0113 GMT 25 Jul 96

[FBIS Transcribed Text] Shanghai, July 25 (XINHUA) — Newly listed as the country's largest fiber optical supplier, AT&T Shanghai Fiber Optics, jointly founded by China and Lucent Technologies, has reported a yearly production capacity of 500,000 km of fibers.

The new company was formerly the AT&T Network and System Business.

The venture went into operation in Caohejing Hi-Tech Development Zone of Shanghai in January, absorbing a 23.65 million U.S. dollar investment from the AT&T network and system business, the Shanghai Optical Telecom Co., the China Posts and Telecom Industrial Co. and the Shanghai Posts and Telecom Administration.

Lucent Technologies presently holds 56 percent of the stock shares, the remaining 44 percent belongs to the three Chinese partners.

The venture, boasting a 28,000 square-meter manufacturing area, employs 118 workers, and names the single-model optical fiber as its leading product.

The AT&T single-model fiber, composed of a germanium-bearing core and a quartz-glass covering, is widely used in China's high-speed and broadband information transport systems.

The fiber can transmit 7,560 telephone calls simultaneously, and has the highest capacity compared with any system used in China, according to the general manager, Lee How Giap.

So far, the venture has set up a 13-meter-high fiber-drawing tower to manufacture optical fibers in scale. A second tower will be completed by the end of this year, improving the venture's producing capacity to one million km of fibers annually, Lee said.

The general manager said he is confident about a stable growth in China's demand for optical fibers, as the country turns out a double-digit increment in its telecommunications industry every year.

Official statistics show that China's demand for optical fiber registered a year-on-year increase of 25 per cent since the beginning of 1990s, and is expected to hit 1.6 million km this year.

Moreover, the demand will maintain an annual rise of 30 per cent over the next five years, reaching a total of five million km by the year 2000.

To further enhance its competitive edge in the flourishing market, Lee said that his venture will be given the ISO-9002 quality certification next year with help from Bell Laboratories, its research branch.

Agriculture

PRC: Article On PRC Arable Land, Part One

HK2407055196 Beijing RENMIN RIBAO in Chinese
24 Jun 96 p 2

[Article by Staff Reporters Jiang Yaping (5592 0068 1627) and Xia Jun (1115 8823): "How Much Do

You Know about China's Arable Land?— Reviewing Decade-Long Land Management (Part One)"]

[PTS Translated Text for FBIS] The 10-year nationwide land management survey, a grand social project, is now drawing near to a close. This will put an end to a long-time mystery surrounding China's inaccurately documented land resources and push China's land management onto a new stage.

An Unprecedented Grand Project

In order to carry out development, we should clearly know about the country's resources. Land is one of the most basic resources for the country's development. For a long time in the past, we had been unclear about the country's land resources and had used data formulated in a land reform conducted in the first few years after Liberation. Due to both historical conditions and backward survey means at that time, most of the data we had used was inaccurate.

Since the State Council transmitted a report on unfolding a land resources survey on 16 May, 1984, we have conducted a great and grand project unknown to the whole country in the past. This detailed land resources survey unprecedented in China's history was primarily aimed at verifying the category, the quantity, the quality, the ownership, the distribution, and the use of land resources and scientifically evaluate land resources, this being an arduous task, indeed.

As time has passed, we have been building this grand project for more than 10 years. Over the past 10 years or so, the central and local authorities have invested more than 1 billion yuan in the project; sent more than 0.5 million personnel to carry out the project; coordinated efforts on the part of the land, the agricultural, the forestry, the construction, the statistics, and the survey departments; had land resources verified; and obtained first-hand information on land used by scattered areas, villages, townships, counties, prefectures, and provinces in the whole country. As a result, we have conducted land resources investigations and formulated data for a total of 2,843 county-level units in the country and entered the final stage of compiling land resources materials by virtue of pictures and scripts.

Some experts have pointed out that it is only possible to wind up such a grand and complex survey in socialist China in a short period of 10-odd years. Some developed countries have conducted a similar land resources survey. But, it took them scores of years or even 100 years to wind up such a project. In this sense, the latest detailed land resources survey is unprecedented not only in China's history but also in the world!

Land Data of Common Concern

The latest land resources survey has turned out two pieces of data of common concern.

First, total arable land area. The survey showed that the country has a total of 2 billion mu of arable land (figure at the present stage), accounting for 14.1 percent of the country's total land area and representing an increase of almost 600 million mu over an official figure released by the state statistics bureau in 1994, which was 1.424 billion mu. However, of China's 2 billion mu of arable land, dry land and "weather-reliant fields" accounts for 60 percent while irrigated land and paddy fields account for almost 40 percent. As far as arable land distribution is concerned, there has been an unbalanced per capita arable land distribution between provinces and within the same provinces. The country has some 12 provinces (autonomous regions) each with per capita arable land exceeding two mu, including Inner Mongolia, Heilongjiang, Ningxia, Xinjiang, Jilin, Gansu, and so on, which are located in the north of the Northeast and Northwest known for poor natural conditions. Most of these provinces (autonomous regions), except Jilin and Heilongjiang, produce only enough grain for themselves or have to buy grain from other provinces (autonomous regions). The country has seven provinces (municipalities) each with per capita arable land reaching less than one mu, including Shanghai, Beijing, Fujian, Tianjin, Guangdong, Zhejiang, and Hunan, which are located in the southeast coastal areas. This batch of provinces (municipalities) have arable land of better quality, but a dwindling arable land area.

Second, urban land development has affected total arable land area. China is still at the initial stage of industrialization and urbanization. However, urban and rural residential quarters have occupied some 270 million mu of the country's land with per capita land occupation standing at 152 square meters (or 0.23 mu), well above a standard per capita land occupation rate. Insofar as developed urban area and non-agricultural urban population are concerned, the per capita land occupation rate in more than 600 cities across the country now stands at 101.6 square meters, well above the standard per capita urban land occupation rate of 100 square meters. These figures showed that we have to energetically check blind expansion of urban areas and firmly adhere to the road of tapping latent urban potential and furthering urban renovation in the future.

What Does 2 Billion Mu of Arable Land Mean?

The latest detailed land resources survey has had a significant impact on agriculture. The survey results showed that China has a total of 2 billion mu of arable land (a figure at the present stage), up by almost 600

million mu over an official figure released by the state statistics bureau, which is 1.424 billion mu.

First, does this latest figure mean that as the country has now had sufficient arable land, we should be bold in utilizing arable land? Absolutely not. Since the past data was inaccurate, the country has all along had more arable land than officially reported. Even with 2 billion mu of arable land, China's per capita arable land still stands at 1.68 mu, less than half of the world per capita of arable land. The country has a large population, but limited per capita arable land, and also has insufficient reserves of arable land resources. The country's basic arable land situation has not changed. China still faces a serious contradiction between population and arable land. In view of this situation, we should not slacken our efforts or vacillate in implementing such a basic national policy to "vigorously treasure and rationally utilize every inch of land and earnestly protect arable land."

Secondly, a bigger arable land area means a lower per unit area grain yield. Will this negate China's agricultural achievements? Over the past 40-odd years, China's total grain output has gone up by several stages in recent years. As a result, we have basically solved the problem of feeding a population of 1.2 billion. This achievement will not be negated by a "bigger" arable land area. Given a per unit area grain yield lower than officially reported, first, we should look at the figure by seeking truth from facts. It is an open secret that many areas have had "help fields;" second, a lower per unit area grain yield is not necessarily a bad thing, for it shows that the country still has great potential in raising the per unit area grain yield and faces a new agricultural development opportunity. With such great potential, we will become more confident than before in raising China's total grain output by 50 billion kilograms by the end of this century, thus providing an answer to the question of "who will feed China in the next century?"

Thirdly, will a "bigger" arable land area change rural policies and increase arable land-related taxes and charges? This is an issue of great concern among the broad masses of peasants. According to the information obtained by reporters from some of the agriculture-related departments, in order to maintain stability in agricultural and rural policies, the state will not apply the latest detailed land survey data to land contracts, agricultural taxes and charges, and quotas for grain and cotton turned over to the state. Thus the broad masses of peasants can rest assured of agricultural production.

PRC: Article On PRC Arable Land, Part Two

HK2407091096 Beijing RENMIN RIBAO in Chinese
26 jun 96 p 2

[Article by Staff Reporters Jiang Yaping (5592 0068 1627) and Xia Jun (1115 8823): "'Land Reform': An Inspiring Chapter—Reviewing Decade-Long Land Management, Part Two"]

[PTS Translated Text for FBIS]

A Reform of Overall Significance

The urban land utilization system reform is one of the most inspiring chapters of China's reform and opening up. In order to distinguish it from the rural land system reform, people now prefer calling it "land reform" for short.

The "land reform" officially started in the mid-1980s. To put it in a simple way, prior to the reform, people had obtained land for building factories and apartment buildings without compensation simply by going through a number of set procedures. However, under the new system, land users have to pay a "transfer fee" to the government to obtain the right of using a piece of land for a specified period except where otherwise authorized by the state. After obtaining the right of using the land, land users can transfer such rights to other interested parties in accordance with the law.

It is crystal clear that the new system is superior to the old one. When land was used without compensation, people would always try to use as much land as possible while the government would try in every way to raise funds and make investment in projects built on the land. The new system under which the right of using land can be transferred has generated enormous profits. As a result, governments at all levels have turned into the most ardent supporters and the biggest beneficiaries of this reform. It is now an open secret that land-generated income is the "second revenue" for a great many local governments. With such "second revenue," local governments have built and perfected all types of infrastructure facilities; pushed forward urban renovation with each passing day; and greatly improved an investment environment.

After being tested in Shenzhen and some other coastal areas, the "land reform" quickly spread to other parts of the country, raising a huge amount of capital and efficiency. The state successfully controlled land waste; more scientifically and rationally planned urban land development by dint of differential land rents; and developed an essential land element market as well. As a result, low-cost land became one of the key bargaining counters in inviting foreign capital and expanding

opening up. Small towns and cities rapidly developed and became prosperous. By developing and opening up a land market, we have successfully invigorated the domestic economy to an extent unknown in the past.

Though the country's land energy was unleashed, people were by no means satisfied. After making strenuous efforts for several years, people all of a sudden found that land allocated to enterprises in the past could now be used as a huge amount of stock capital and a principal force for invigorating large and medium-sized state-owned enterprises. Beijing's light industry departments successfully "checked secondary (industrial development)" and "furthered tertiary (industrial development)" by introducing differential rents for stock land; Shanghai unswervingly provided land and housing assets to some 10 large enterprise groups; and Guangdong placed land assets on the market during an enterprise system reform. This shows that land has rendered fresh meritorious service to the country's economic reform and development.

This is why some people have maintained that the urban state-owned land utilization system reform is one of the most successful, most effective, and most influential reforms conducted over the past decade and has given a powerful impetus to all corresponding reforms and developments.

An Unsmooth Road

The road of "land reform" is by no means smooth.

The "land reform" encountered political and legal obstacles at the outset. In the mid-1980s, when Shenzhen initiated the reform, the country's constitution still banned leasing of land.

In 1988, to comply with the reform and opening up trend, the First Session of the Seventh National People's Congress introduced a significant amendment to the country's constitution with the result that land was liberated.

After that, songs of triumph were heard all round. However, attentive people could still hear some unharmonious tones among them.

As recessive market trade developed, the country began to suffer. For instance, the country's normal market order was disrupted; the state helplessly lost a large amount of land rents; and so on.

A real estate industry sprung up with marked successes. However, it also left a large number of "empty," unoccupied, overstocked apartment buildings that are dark inside across the country. As a result, the country's precious land resources and capital were left idle and wasted.

Quite a few development zones, which had once drawn nationwide admiration, now took great pains to carry on operation. Some closed down while others turned into barren land with few people living on it. Large stretches of arable land were left idle, thus inflicting a deep wound in the people's hearts.

Land allocation remained the principal source of land supply to non-agricultural development while the right of using land was still transferred, thus resulting in a "double track" system. All types of "land leasing" activities lumped together with unfair market competition activities, thus making it hard for people to discriminate right from wrong.

Quite a few areas rarely tried to implement the state land supply plans to the letter. They leased land in the form of an "agreement" rather than on the market, thereby reducing the transparency.

The above mentioned problems should be the main targets of an in-depth state-owned land utilization system reform.

Corresponding Readjustment Is Under Way

Psychologically, people have taken a complicated and contradictory approach to a deepgoing state-owned land utilization system reform.

It should be noted that thanks to enhanced macroeconomic regulation and control in the last three years, people have come to see the root causes of the above mentioned problems: 1. Ineffective macroeconomic regulation and control, including unscientific planning, shelving of good plans, excessive land allocation, blind development zone construction, leasing land for real estate development to any one who pays money, and so on; 2. Ineffective market operation, such as rarely transferring the right of using land by dint of public bidding and auction, chief executive issuing orders on land supply to and scale of planned development zones, and so on.

Nevertheless, corresponding readjustment is now under way. At present, state land management departments are

trying to strictly control land supply; satisfy demand for land with land leased and allocated in the last few years; improve land utilization planning; scientifically manage land supply; and explore ways and means of implementing the state macroscopic land regulation and control policies to the letter in terms of a leadership structure.

Thanks to the 10-year detailed land survey, the country has verified land resources in terms of quantity, category, and ownership, thereby laying a solid foundation for invigorating and standardizing the land market. The country has formulated a common land pricing criterion for different types of land in different areas, thereby putting an end to willful land pricing as evidenced a few years ago. The state will also strictly control new development zones building and large-scale land development.

People should now be fully confident about an in-depth "land reform." However, this by no means suggests that the "land reform" will be plain sailing. Many issues cropping up in the "land reform" are related to other issues, such as whether or not it is possible to implement the state policies and orders to the letter; whether or not it is possible to set taxes and charges at a reasonable level; whether or not it is desirable to readjust the state economic development strategy; in what way the state economic development strategy should be readjusted; whether or not it is possible to smoothly carry out a state-owned enterprise reform; whether or not it is possible to coordinate relations between different departments; and so on. We should try to clearly understand these problems so as to make sound and systematic arrangements. Only by so doing will we be able to press ahead with the "land reform" that has made important contributions to and rendered meritorious service to the country's reform, opening up, and economic growth over the past 10 years while developing a socialist market economy.

East Region

PRC: Jiangxi Provincial Work Report

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[By Li Xiuyuan [2621 0208 3293], president of the Jiangxi Provincial Higher People's Court: "Jiangxi Provincial Higher People's Court Work Report—Delivered at the Fourth Session of the Eighth Jiangxi Provincial People's Congress on 7 February 1996"]

[FBIS Translated Text] Fellow Deputies:

I hereby submit a report on the main aspects of the work done by all the people's courts in this province in 1995. Please discuss and comment.

In 1995, under the correct leadership of the party committees at all levels and the effective supervision by the people's congresses at all levels, and thanks to the government's strong support, the people's courts across the province adhered to Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line, conscientiously implemented the resolution adopted by the third session of the eighth provincial people's congress on the court work report, bore in mind the general interests of all the party and all the country, strengthened adjudication work and stepped up training of judicial personnel in an all-round manner, persisted in strictly enforcing the law, thus improved their performance in law enforcement. A total of 188,355 cases were heard and wound up in the whole year, consisting of: 117,386 cases of first instance; 7,416 cases of second instance and adjudication supervision; 55,584 cases concerning execution of judgment; and 7,969 cases concerning reduction of punishment and release on parole. By doing all these, the courts played a positive role in safeguarding social stability and promoting the reform, opening up, and economic growth in this province.

I. Persisting in Dealing Severe Blows at Criminal Activities, Safeguarding Social Stability

It is a task of top priority for the people's court to crack down on crimes and safeguard social stability according to law. In 1995, while continuing to pursue the principle of strong and prompt action according to law, the law courts in this province dealt severe blows at all kinds of criminal activities. For the whole year, they accepted and heard a total of 11,696 criminal cases in first instance, and wound up 11,697 cases (including unfinished cases left over from the previous years), an increase of 0.29 and 0.45 percent over the previous year respectively. Among the 13,306 culprits on whom verdicts were passed and legal actions taken, 4,878 people were sentenced to imprisonment of five years

or more, life imprisonment, or death penalty (including death penalty with reprieve), accounting for 36.66 percent of all the culprits; 8,041 people were sentenced to imprisonment of less than five years or forced labor under detention, or were placed under surveillance, accounting for 60.43 percent of the total number; 247 people were exempted from criminal punishment; 80 people were acquitted; and 60 people had their cases handled otherwise. Of all the cases heard, 98 percent were wound up within the legal time limit.

During the operation to deal severe blows at criminal activities, law courts at all levels concentrated their attention on four tasks in particular:

First, escalating the operation to fight crimes and severely punishing criminal elements who had seriously endangered public security. Courts at all levels have concentrated their attention on fighting such crimes as homicide, robbery, rape, bombing, abduction and kidnapping of women and children, drug trafficking, and major larceny and hooliganism. Heavy sentences were resolutely passed, according to law, on those who deserved a heavy penalty; and death penalty were meted out without mercy, according to law, to those who deserved death penalty. For the whole year, a total of 7,376 criminals who had seriously jeopardized public security were sentenced to varying penalties, 1,767 of them were sentenced to imprisonment of more than 10 years, life imprisonment, or death penalty (including death penalty with reprieve), an increase of 13.4 percent over the previous year. The provincial court heard 626 cases of second instance and of death verdict review. The number of culprits sentenced to life imprisonment or heavier penalties increased by 20 percent over the previous year. Of the cases involving these culprits, 141 major ones were heard and wound up quickly in 20 days in the spirit of heavy and prompt action. On the other hand, local courts have closely cooperated with local public security and procuratorial organs in launching special operations on different occasions and according to local conditions. Through effective operations, they have fulfilled the aim of deterring criminals, inspiring the public, and safeguarding public security.

Second, focusing on major and important cases, dealing severe blows at serious economic criminal activities. Over the past year, law courts at all levels across the province continued and furthered the struggle against serious economic crimes, with stress laid on the trial of major and important cases. For the whole year, a total of 1,564 cases of economic crime were heard in first instance, an increase of 0.71 percent over the previous year. A total of 1,552 cases of economic crime were wound up. Except for those cases which are currently being heard in second instance, or withdrawn

by the procuratorate, or returned to the procuratorate for supplementary investigation, verdicts were passed and legal actions taken on a total of 1,701 culprits in the whole year. Of these culprits, 548 people were sentenced to imprisonment of five years or more, life imprisonment, or death penalty (including death penalty with reprieve), accounting for 32.2 percent of the total number; 1,092 people were sentenced to imprisonment of less than five years or to forced labor under detention, or were put under surveillance, accounting for 64.2 percent. The adjudication of these cases of economic crimes saved the state and the collective a 71.07 million yuan's worth of economic losses, an increase of 700 percent over the previous year. Courts at all levels have been focusing their attention on three kinds of crimes. The first kind consisted of cases involving big amounts of money and having tremendous impact on society. Last year the courts in the province heard and wound up 388 cases which involved a value of 10,000 yuan or more each, an increase of 19.4 percent over the previous year. Of these, 36 cases were those which involved a value of over 100,000 yuan each, six involving over 200,000 yuan each, and five involving over 300,000 yuan each. The second kind consisted of cases of corruption and bribery involving civil servants abusing their official power. For the whole year the courts heard and wound up 394 cases of corruption and 290 cases of bribery, an increase of 12 and 51 percent respectively. Among the culprits on whom verdicts were passed, nine people were cadres at and above the county and office level. The third kind consisted of cases of crimes that directly jeopardized reform and opening up and disrupted economic order. In this regard, stress was placed on fighting criminal activities in the areas of monetary services, commerce, and foreign trades, such as evading and refusing to pay taxes; issuing false or forged capital gain tax payment receipts or illegally selling such receipts; and fraud, arbitrage, smuggling, manufacturing and selling imitation, fake, and inferior goods. For the whole year a total of 344 cases of this category were heard and wound up, and verdicts were passed on 498 culprits involved in these cases.

Third, setting much store by the quality of adjudication, improving work performance in the operation to deal severe blows at criminal activities. The courts at all levels have conscientiously enforced the Criminal Procedural Law and the Criminal Law, and handled cases strictly based on facts, evidences, and appropriate provisions of laws. Of all the public prosecution cases heard in first instance at courts in this province, 1,520 cases were returned to procuratorates for supplementary investigations due to unclear principal facts and insufficient evidences; 159 cases were returned to procuratorates pending the latter's endorsement for dropping the prosecu-

tion because the cases did not support a penalty; as for those cases which did not constitute a crime, the defendants were acquitted according to law. During the year the provincial court called a total of 32 judicial committee meetings to discuss and decide on 219 major difficult cases. In 51 of these cases, the verdicts were amended; while 16 cases were returned to the original courts for rehearing, thus the quality of adjudication of major cases was guaranteed.

Fourth, playing an active part in comprehensive management of social order, while keeping up the good work in adjudication of cases. The courts at all levels have upheld the principle of "attaching equal importance to fighting and preventing crimes, curbing criminal phenomena and dealing with their root causes as well, with stress laid on getting rid of the root causes."

In adjudication they tried very hard to implement all the measures for comprehensive management of social order. First, they have strived to correctly handle contradictions among the people, properly settle all kinds of conflicts, and do away with unstable factors. Second, in the struggle to crack down on criminal activities, they have pursued the policy of combination of punishment and leniency and the principle of cracking down on a handful of criminals while trying to win over, divide, and reform the majority of them. Reprieve was granted according to law to those who had committed petty, less malicious crimes, and had shown repentance afterward, thus were qualified for a reprieve. Reduction in penalty or release on parole was granted according to law to those who had indeed shown repentance or had even rendered meritorious services during reform through labor. A total of 1,447 culprits were granted reprieve in the province, accounting for 10.87 percent of all the culprits, which showed a decrease of 1.6 percentage points as compared with the figure recorded in the previous year. Reduction of penalty was applied to 7,065 cases, an increase of 127 percent over the previous year; while release on probation was applied to 904 cases, an increase of 171 percent over the previous year.

Courts at all levels have all set up juvenile tribunals or collegiate panels, and have applied forms that suit the special characteristics of juvenile delinquency, to the adjudication of cases of crimes committed by minors, thus stepping the efforts to educate and redeem juvenile delinquents. For the whole year sentences were passed on a total of 1,397 juvenile culprits, a decline of 14.8 percent as compared with the figure in the previous year. Third, they have done a good job in publicizing the legal system. Education on the legal system has been carried out through open hearing, public announcement of judgment, and publicizing laws by citing specific cases. To cope with problems that have emerged in the adjudi-

cation work, judicial proposals for strengthening management, stopping loopholes, and improving the system have been presented to departments and organizations concerned. During the year a total of 278 judgment announcement rallies were held, 610 functions were held to publicize the legal system, and a total of 1.53 million people attended such rallies and functions. A total of 1,038 judicial proposals were made, 68 percent of which have been adopted.

II. Regulating Economic Relations According to Law, With a View To Expediting Reform and Opening Up and To Promoting Economic Development

In the wake of the in-depth development of the reform of the economic structure and the growth of the socialist market economy, the scope of the function of the people's court in regulating economic relations according to law has been further broadened, and the adjudication of economic cases, as an authoritative force to regulate market behavior, is playing a greater and greater role in the development of the socialist market economic structure. During the year a total of 39,185 cases of economic disputes were accepted and heard in first instance in the province, a decreased of 1.36 percent as compared with the previous year's figure; a total of 39,572 cases (including unfinished cases left over from the previous year) were wound up, an increase of 0.22 percent over the previous year; the total money value involved in those wound-up cases amounted to 2,397 million yuan, an increase of 71.25 percent over the previous year.

Work has been done in the following main aspects:

1. Cases related to the in-depth development of the reform of state-owned enterprises and the establishment of the modern enterprise system were conscientiously heard and handled. In the whole province, a total of 1,453 cases of disputes on contracted management, management on lease, and joint management of enterprises, which were closely related to the enterprise reform, and 27 cases of disputes over trademark, patent, and technological service contracts were heard and wound up. This helped promote the growth of enterprises and improvement in their economic returns. The practice of letting enterprises declare bankruptcy is one of the important means to optimize the production structure and rationally deploy resources. In view of the fact that the current supporting measures regarding social insurance are unsound, people's courts have adopted very cautious attitude toward cases of enterprise bankruptcy. With the aim of safeguarding stability, they have done a meticulous job, properly handling those cases strictly according to the policy and legal procedures formulated

by the state, trying to avoid drain of state-owned assets, and striving for good social effects.

A total of 45 cases of enterprise bankruptcy were accepted and heard in the province, a decrease of 4.26 percent as compared with the figure recorded in the previous year. Forty-one cases of them were wound up.

2. Cases of disputes on purchases and sales contracts and on loans were heard in good time. This helped ensure smooth circulation of commodities and good monetary order, and provided the judicial support for the state-manipulated macroeconomic regulation and control. A total of 8,308 cases of disputes over purchases and sales contracts were heard and wound up in the province, involving a controversial value of 700 million yuan. Many cases concerning failure to perform contracts and to pay for purchased goods were properly settled, and "debt chains" involving a great amount of money were resolved. Since the state continued to practice the double-retrenchment policy regarding finance and credit in an effort to straighten out the financial order, and, in the meantime, the "Commercial Bank Law" and the "Security Law" were enacted, the number of lawsuits concerning disputes over loan contracts lodged to the law court increased drastically. A total of 14,183 cases of this category were heard and wound up in the province, an increase of 50.2 percent over the previous year. The settling of these cases helped the monetary sector recover overdue loan payment totaling 784 million yuan, a strong support for the state to carry out measures of macroeconomic regulation and control.

3. Cases of disputes related to agriculture and the rural economy were properly settled. A total of 1,763 cases of disputes over farming contracts were heard and wound up in the province. This helped protect contractors' legitimate rights and interests as well as their initiative in agricultural production, and safeguarded the interests of the collective economy. In the meantime, a large number of other cases were heard and handled, such as cases of disputes related to the operation and management of township and town enterprises and the introduction of the cooperative shares system, and cases of disputes on contracts for machine equipment lease, technological transfer, processing and marketing of products, all of which sprang up amid the development of the socialized service system in rural areas.

4. Cases of economic disputes involving parties from foreign countries, Hong Kong, Macao, and Taiwan were conscientiously heard and handled. A total of 13 cases of this category were heard and wound up in the province, an increase of 200 percent over the previous year. Particular care was taken to ensure that the legitimate rights and interests of both Chinese and foreign business

partners were equally protected according to law, in a bid to promote Jiangxi province's fine image as a place opened up to the outside world and to cultivate a good legal environment favorable for the province to explore the international market.

In performing the function of adjudication of economic cases to serve economic construction, the people's courts at all levels have constantly enhanced their senses of reform, service, and efficiency, tried their best to achieve the integrity of legal criteria and productive force criteria, placed stress on the effects of adjudication, and adopted many effective measures, such as paying extra attention to key recipients of services; taking the initiative in providing legal assistance for invigorating large- and medium- sized state-owned enterprises; and practicing the system of promptly putting a case on file and promptly hearing it if it is related to economic disputes that may make great impact on production. The courts at all levels have studied new circumstances, tried to solve new problems and to properly settle new type of cases concerning stocks, bills, futures, and so on. They have actively carried forward the reform of the adjudication mode, tried to speed up legal proceedings; and held special hearing sessions for some specific cases and solicited judicial proposals with a view to solving prominent problems. All these efforts have produced good social effects.

III. Vigorously Improving Trial of Civil Cases, Promoting Social Stability, Unity, and Spiritual Civilization

Properly settling civil cases is of great importance to ensuring a peaceful living environment and pleasant working conditions for the people and to safeguarding social stability and unity. For the whole year a total of 65,106 civil cases were accepted and heard in first instance in the province and a total of 65,101 cases were wound up, an increase of 6.5 percent and 6 percent over the previous year respectively. In the meantime, the courts guided people's mediation committees in mediating a large number of cases of civil disputes.

Cases of marriage relationship and family affairs are the category covering divorce, termination of illegal cohabitation relations, child-rearing, care for the aged, and adoption. During the year, a total of 24,241 cases of this category were accepted and heard by the courts in the province in first instance, an increase of 6.85 percent over the previous year. This category of cases made up 37 percent of all the civil cases that were heard. Because of the change in the concept about marriage and family among people, the change in property relations, corrosion by bourgeois ideology, and the comeback of the influence of feudalism and outworn

customs and habits, cases of marriage and family affairs have presented some new problems nowadays: 1) there have been more and more cases of illegal cohabitation involving parties who have not registered with the marriage registry or are not legally qualified for marriage; 2) cases have been discovered from time to time of pretended divorce with the aim of evading either debts or planned parenthood; 3) contention for and concealing of properties in the wake of divorce or termination of illegal cohabitation relations have become a more and more prominent problem, thus it is becoming more and more difficult nowadays to handle this type of cases ; and 4) it has become an increasing tendency that people do not want to take care of minor children and support their parents. By hearing cases of marriage and family disputes according to law, the people's courts have safeguarded the freedom of marriage, protected the legitimate rights and interests of women, children, and the aged, thus promoted the socialist marriage and family relations and new habits.

In recent years, in the wake of economic growth, economic activities have been increasing at the non-governmental level. As a result, cases of creditor versus debtor arising from loans and transactions between individual citizens and between individuals and legal persons have been constantly increasing. During the whole year, a total of 30,365 cases of creditor versus debtor were heard by courts in the province, an increase of 6.2 percent over the previous year. While adhering to the principle of acting in the interests of production and the people's livelihood, the people's courts have protected legal creditor-debtor relationship according to law, thus safeguarding normal economic activities in the non- governmental sector.

Damage suits, cases of labor disputes, real estate cases, and cases concerning interests in land for residential use, wooded and hilly lands, farmland, and water conservation facilities in rural areas form a category that involves a wide range of social sectors, may have extensive influence on the society, and therefore can easily trigger off tense conflicts. In dealing with cases in this field, the people's courts have tried really hard to find out facts, distinguish between right and wrong, and clarify responsibilities; and they have paid more attention to mediation efforts, and settled conflicts in good time. During the whole year, the courts in this province heard 6,327 damage cases, 464 cases of labor disputes, 1,515 real estate cases, and 374 cases concerning interests in land for residential use, wooded and hilly lands, farmland, and water conservation facilities in rural areas. Of these cases 56 percent were settled through mediation.

Apart from the above, the courts in this province heard 135 cases concerning the personal rights and right to fame of individual citizens and legal persons, and 8 cases concerning copyright, thus doing their share in protecting the personal rights and the right to personality of parties involved, supporting appropriate supervision by public opinion, and promoting the thriving and development of sciences, culture, and arts.

IV. Actively Promoting Trial of Administrative Cases To Protect the Legitimate Rights of Citizens, Legal Persons, and Other Organizations, and To Ensure That the Government Acts According to Law

Over the past year, substantial progress was made in the trial of administrative cases in this province. A total of 1,025 administrative cases were accepted and heard in first instance, an increase of 33.8 percent over the previous year; and a total of 1,016 cases were wound up. This category of lawsuits covers nearly 40 areas of administration, including public security, land administration, forestry, administration for industry and commerce, public health, urban construction, communications, taxation, technical supervision, and customs. There are 22 grass-roots law courts in this province which each had more than 15 administrative cases wound up by first trial.

Effectively protecting the legitimate rights and interests of citizens, legal persons, and other organizations is one of the main purposes in holding trial of administrative cases. Of all the administrative cases heard and wound up in first instance by the courts in this province, 175 cases saw citizens, legal persons, or other non-government organizations carrying the cause; in 218 cases, the executive branch itself altered its administrative actions, resulting in an abatement of action by the plaintiff. These two figures added up to 393, accounting for 38.7 percent of all the closed administrative cases. Through the hearing and settling of cases of violation of enterprises' autonomy, the people's courts have enabled the enterprises to shake off trammels and increase their competitive power in the market. Through the hearing and settling of cases concerning burden on the peasants, the courts have protected the peasants' legitimate rights and interests, and brought the peasants' initiative in farming into play. Through the hearing and settling of cases of violation of personal freedom, the courts have safeguarded citizens' dignity and personal rights.

Safeguarding the executive branch's rights and supervising its behavior while it is performing its duties and exercising its power according to law is another main purpose of the trial of administrative cases. Through the trial of administrative cases, the people's courts have

affirmed the legitimacy of many controversial specific administrative actions and ensured the execution of such actions, thus helped improve the performance and efficiency of government administration, and speeded up the legalization of government administration. For the whole year, the courts at all levels ruled on 191 cases to affirm specific administrative actions taken by the executive branch, accounting for 18.8 percent of all the closed administrative cases. In the meantime, the courts, on the executive branch's request, ruled on 8,570 cases to force according to law the execution of administrative actions, involving a total money value of 41 million yuan. This provided a strong backing for the executive branch to rule according to law.

The introduction of adjudication of administrative cases is an important hallmark of a sound legal system in a country. Due to many complicated factors, however, in many localities people just have no idea how they can sue the executive branch, or they simply dare not bring up a lawsuit, while government organs on their part do not provide assistance, fearing they may lose if sued by the public. In view of this circumstance, the courts at all levels, while keeping up the practice of accepting cases according to law and handling cases impartially, have propagated the Administrative Procedural Law by various means to make the idea about and content of administrative proceedings known to the public and all social sectors. In the meantime, by improving communication and coordination and seeking a common understanding with government departments concerned, the courts have managed to minimize impediment to the trial of administrative cases, thus ensuring smooth progress in this work.

The State Restitution Law officially came into force on 1 January last year, thus the trial of cases of indemnity claim became a new task vested in the people's court by the state law. The provincial court and every intermediate court in this province have set up, according to the provisions of the law, their own indemnity claim committee and the office of this committee as well. They have also formulated case hearing procedures. For the whole year they accepted and heard 21 cases of indemnity claim, 16 of which were closed, thus a legal foundation for the full enforcement of this law has been laid.

V. Further Strengthening Adjudication Supervision and Execution, Raising Law Enforcement Standards, Safeguarding the Authority of Law

Over the past year, based on the information gathered from visiting complainants and letters of complaint received, and with stress laid on retrial on complainants' request, the people's courts at all levels have strength-

ened adjudication supervision in an all-round manner. First, the process of placing cases on file and the trial have been separated, action was taken to regulate and strengthen the procedures of placing cases on file according to law. The function of placing cases on file and that of trial were separated, with the power to decide whether a case is to be placed on file and the power to adjudicate delegated to two different, independent judicial organizations. This has been a major reform of the operation of courts in this province. Over the past year since its introduction, this measure has been playing an important part in removing hurdles hindering the public from starting legal proceedings, in developing a set of standard criteria on cases to be put on file, and in regulating judicial order. All the courts in the province processed a total of 52,991 letters of complaint from the masses and received a total of 71,077 visitors, thus the total volume of letters plus visitors increased by 1.86 percent over the previous year. On the other hand, however, the number of complaints bypassing local courts and lodged directly to the provincial court decreased remarkably from 639 cases in 1994 to 79 cases in 1995. Second, complaints and applications for retrial have been carefully examined, and resolute actions have been taken to stop the practices of ignoring laws, slackness in law enforcement, and abuse of power. Last year in this province a total of 1,346 past verdicts, including criminal, civil, economic, and administrative cases were picked up again and put on file for retrial. Third, particular attention has been paid to the processing of counter appeals lodged by the procuratorial sector. The courts in the province wound up 38 counter appeals of different types—criminal, civil, economic, and administrative—lodged by the procuratorial sector by adjudication supervision procedures, and 78 criminal counter appeals lodged by the second trial procedures, the two types of cases added up to 116 in total, an increase of 28.8 percent over the previous year. Of all the cases of counter appeal, 27 cases or 23.3 percent were found justified, resulting in the reverse of the original verdicts which were proved to be definitely wrong; 56 cases or 48.3 percent were found unjustified, thus the original verdicts which were proved to be correct were retained; in seven cases the procuratorial organs withdrew the counter appeals. Twenty-six cases were returned to the original adjudicating courts for a retrial or were handled in other ways.

Execution of the judgment is the last step of the procedure series to carry out a valid ruling made by the court or by an administrative organ. This is a major part of the efforts to protect the legitimate rights and interests of the parties concerned and to safeguard the sanctity of the law. Over the past year, the courts in this province executed the judgments on 55,584 economic, civil, and

administrative cases and criminal cases accompanied by subsidiary civil action, involving a total value of 496 million yuan, an increase of 17.3 and 52.4 percent over the previous year respectively. By the end of last year, the province still had a backlog of 11,007 cases, the rulings on which had not been executed yet, an increase of 4.7 percent over the previous year's backlog record—10,511 cases.

In view of the difficulties in the execution of rulings, the courts at all levels have mainly taken the following measures: First, adjudication and execution are undertaken by different organs whose respective duties and responsibilities are expressly defined. During the trial of a case, the judge may put a lien on the properties involved according to the actual circumstances, with a view to facilitating the execution of the ruling in the future. When it comes to the stage of execution, the executive board will specially assign its staff members to execute the judgment. Second, efforts have been made to improve the system, with a view to safeguarding a good order in execution.

The provincial court has established an execution coordination system to promote the exchange of information among courts, to prompt an entrusted court in another province to quicken execution of a judgment made in this province, and to solve various knotty problems. All intermediate courts are required to examine decisions made by their subordinate grass-roots courts on enforcement of coercive measures, such as detention and arrest. Some courts have even introduced the system of re-examining cases where execution is discontinued, the system of declaration of assets by action recipients.

All these measures have played a positive role in regulating the execution of judgments and in raising the effectiveness of the judgment execution. Third, the principle of integration of reasoning and forced execution has been upheld, different execution methods are chosen according to different cases and in light of specific circumstances, so as to ensure that judgments are executed in a civilized manner and the process consists with law. In 64.6 percent of the execution cases, execution were accomplished by persuading the parties involved into complying with the court judgment. In a few cases, the parties involved who, though capable of performing their obligations, refused to do so or played a dilatory tactics. To cope with these cases the courts had the judgments resolutely executed by force. Fourth, the courts of this province have done a good job in entrusting courts of other provinces with execution of judgments and in assisting courts of other provinces in executing judgments. For the whole year, courts in this province rendered assistance to courts of other provinces in executing the judgments on 167 cases, and

entrusted courts of other provinces with execution of the judgments on 205 cases.

VI. Persisting in Strictly Enforcing the Law, Stepping up Efforts To Improve the Quality of Court Staff

Over the past year, the courts in this province kept on strengthening adjudication work while stepping up the efforts to improve the quality of court staff. With the implementation of the "Judge Law" as a starting point, they strived to enhance the court staff's political integrity and professional competence, while adhering to the guideline of strict enforcement of the law, impartial adjudication, strict education, and strict management. New progress has been made in this regard.

1. Strengthening ideological and political work in real earnest. To cope with new circumstances, such as changes in thinking and concepts among officers and policemen in a period of transition from the old structure to a new one, the influence of the ideological trend of individualism and money worship under the conditions of market economy, and the adjudication practice of isolating each case from others and processing it out of its context, the courts have arranged for cadres and policemen to study political theories, educated and inspired them to heighten their political sense, their sense of interests of the whole, and their faith in socialism. Through the drives of studying the "Judge Law," learning from Kong Fansen, learning from Li Runwu, and emulating the Jinan traffic police, the courts have made their staff bear in mind their goal of wholeheartedly serving the people, inspired them to constantly enhance their sense of service and their identity as public servants, as well as their sense of responsibility and mission as judges in the people's service. While launching study drives, many courts have arranged tours for outstanding judges to give briefings on their experience, and started "image-building projects" and quality service drives, and all these have played a positive part in inspiring the cadres and policemen to adopt a correct world outlook, outlook on life, and values. Generally speaking, the court staff in this province is a good team who observe discipline, enforce laws impartially, are able to stand all tests, and are professional competent.

Despite difficult conditions and the complicated environment, the courts at all levels have fulfilled arduous adjudication tasks, and a large number of advanced individuals and units have emerged. Within the court system of the province, 1,400 people received awards for meritorious service (including one winner of the title of national advanced worker and model court worker), and 468 advanced collectives were commended (including two winners of first class national court merit citation).

2. Continuing to straighten out law enforcement order within the judicial sector. The following four measures have been adopted in the main: 1) a system that separates trial of cases from the process of putting cases on file has been introduced across the province, thus the three procedures: putting cases on file, trial, and collection of legal service fees are separated, enabling the three departments to supervise each other, thus a court operation mechanism that runs in a regular and orderly way has initially taken shape; 2) the system of responsibility for wrong verdicts has been revised and improved to work more efficiently; 3) courts and law enforcement offices stationed in administrative organs, enterprises, and service units have been consolidated, and a number of adjudication and enforcement organizations stationed outside the court house which fail to meet legal requirements have been disbanded; and 4) the 1995 legal procedure year was launched—centering around the implementation of the "three major procedural laws," with the aim of keeping up with the practice of public trial and improving the performance in law enforcement, the courts have launched procedural law quiz, competition in standardized court operation, judicial police operation exercises, and adjudication quality inspection. Through education and consolidation, court cadres and police have generally had a stronger sense of the need for strict enforcement of laws, the judicial order has been remarkably improved within the court system, the quality of adjudication has been further improved, and better social results have been scored.

3. Making unremitting efforts to promote clean and honest government. The courts at all levels have conscientiously implemented the guideline laid down by the Fifth Plenary Session of the Central Commission for Discipline Inspection and the telephone conference held by the Supreme Court on the anti-corruption work. According to the plan formulated by the provincial party committee, they have devoted particularly great efforts to the following aspects: 1) continuing to carry out further in depth the education drive to promote honesty and self-restraint, making self examination and self correction according to the five-point criteria and four supplementary requirements set by the Central Commission for Discipline Inspection; 2) strictly implementing the "Three Bans" put forth by the Commission of Politics and Law of the CPC Central Committee and the "Three Rigid Prohibitions" put forth by the provincial party committee—in this connection, local courts have formulated relevant regulations for implementation, those who violate the bans and prohibitions will be subject to serious disciplinary action; 3) improving the court operation supervision mechanism—on the basis of the existing system, a two-way supervisory system between the party involved and the court officer in charge of

the case was introduced and applied to all courts alike last year, a pilot project was initiated to test the system of "case acceptance and winding-up record card," both of which have helped strengthen internal and external supervision; and 4) intensifying investigation and processing of cases of violation of laws and discipline—all the courts in the province heard a total of 25 cases of violation of laws and discipline involving court cadres and police, 28 people were punished, and four of them received criminal penalties.

4. Strengthening education and training. Over the past 10 years since its founding, the Jiangxi campus, which was founded by the court system, of the Part Time Law College has trained 3,530 police cadres up to law college standard, thus raising the proportion of court police cadres with college graduate standard in this province from 11 percent in 1985 to 83 percent in 1995, and the year 1995 alone saw an increase of 7 percentage points over 1994. In addition, nearly 500 people in this province are now enrolled with undergraduate correspondence courses in law. While attaching importance to academic training, the courts in the province have further promoted on-the-job training, with stress placed on practical results in solving specific problems. During the year a total of 216 training courses of various kinds were held, offering training to 4,985 police cadres.

Over the past year, the courts in this province have made new progress and achieved new successes in their work. These must be attributed to the leadership of party committees, the supervision by people's congresses, and the support of governments at all levels, as well as to the assistance provided by all social sectors, and the concerted efforts by all the court staff and police. However, we are still facing some problems and difficulties in our work. First, development is unbalanced in different areas. Generally speaking, the trial of administrative cases and the execution of relevant rulings have been faced with more difficulties and great impediment. The execution of rulings has been particularly difficult. Last year saw a total of 148 serious incidents in which the courts were hindered from enforcing their rulings, and 35 court cadres and policemen were even beaten up and injured while performing official duties.

The present standards of infrastructure and material equipment still cannot meet the needs of the expanding court operation. Second, the problem of slackness in law enforcement still remains unsolved. Penalties were unreasonably heavy in some criminal cases but incredibly light in the others; the verdicts of some civil and economic dispute cases was unfair, and the parties involved could hardly accepted the judgments; contention between different courts for jurisdiction over specific

cases, and inappropriate application of coercive measures in the execution of judgments have not been completely eliminated yet. Third, a small number of courts are weak in ideological and political work, they are not implementing the discipline system strictly enough, and cases of violation of laws and discipline by court staff and police took place from time to time. Fourth, courts at the higher level—here we are mainly referring to the provincial court—have failed to act resolutely and powerfully enough in exercising adjudication supervision and giving professional guidance to courts at the lower levels, while the latter on their part have failed to follow their superior's instructions well enough. We are taking measures to actively solve these problems.

Fellow deputies, 1996 is the year we launch the Ninth Five-Year Plan and start working for the long-term goal to be accomplished by 2010. The state is going to continue to reinforce agriculture as the foundation of the economy, speed up the reform of state-owned enterprises, intensify and improve macroeconomic regulation and control, further the process of opening up to the outside world, and take important steps toward the "two radical changes." A good beginning is of crucial importance to the smooth implementation of the Ninth Five-Year Plan.

Under the new situation, courts are facing still heavier tasks and undertaking still greater responsibilities. According to the guideline laid down by the Fifth Plenary Session of the 14th CPC Central Committee, the 10th provincial party congress, and the 17th national meeting on court operation, the general task for the courts in this province in 1996 will be: adhering to Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and to the party's basic line, continuing to focus on the general interests of all the party and all the country, expediting the adjudication work in all areas, stepping up the struggle to deal severe blows at criminal activities, severely punishing those involved in serious criminal and economic offenses, vigorously regulating socio-economic relations, properly solving contradictions among the people, persisting in strictly enforcing laws, improving the overall quality of the court staff, further expediting the reform and development of courts, giving full play to the function of court adjudication, and providing stronger judicial support for reform, development, and stability.

Centering around this general task, we are going to place stress on works in four aspects: 1) Unremittingly keeping up the struggle to deal severe blows at criminal activities, and doing our utmost to safeguard social stability. We must continue to make it the first priority to severely punish criminal offenses that seriously jeopardize social order, and intensify the operation

to more strongly crack down on crimes; continue to implement the principle of meting out more severe punishment according to law, and unswervingly crack down on serious economic crimes, so as to safeguard the order of the socialist market economy, and ensure smooth implementation of all reform measures.

2) Correctly handling lawsuits originating from disputes among the people, with a view to promoting reform, opening up, and economic development. We must further strengthen economic adjudication, apply judicial means to straightening out and regulating economic order, thus speed up the establishment of new standards and new order of the socialist market economy. At the same time, we will fully promote all operations related to civil and administrative adjudication as well as legal proceedings and petition, promptly settle according to law all kinds of disputes related to the personal and property rights of citizens, especially those institutional lawsuits which involve many people and have extensive influence, so as to prevent conflicts from intensifying. 3) Persisting in strictly enforcing laws, and safeguarding the sanctity of the law. We must further emphasize the principle of adjudication according to law, strictly enforce court discipline, resolutely oppose and overcome local and departmental protectionism, get rid of interference, and ensure quality and impartial adjudication.

We must strengthen adjudication supervision and professional guidance, reinforce the supervisory and check-and-balance mechanism, take the initiative in submitting ourselves to the supervision by the people's congress, by the law, and by the mass media, and resolutely correct according to law any act of impartial adjudication and slackness in law enforcement. We will introduce the "case acceptance and winding-up record card" system which provides qualitative monitoring of the whole legal proceedings, and we will launch the 1996 quality year program, do a good job in the reform of the adjudication mode, and improve adjudication quality and efficiency. 4) Vigorously promoting the self development of the court. We will place stress on improving cadres in terms of ideology, professional competence, and work style, and intensify party organizations within the court and the leading body of the court.

We will adhere to the guideline of strictly administering the court, fighting corruption, and promoting honesty, ensure impartial judicial operation, and promote the spirit of clean government, justice, and honesty. We will actively enlist support of party committees, people's congresses, and governments at all levels, make efforts to acquire better material equipment for courts, and gradually improve working conditions so that the courts will be able to live up to heavy adjudication tasks.

Fellow deputies, in the year to come, under the leadership of the provincial party committee and the supervision by the provincial people's congress and its standing committee, we are determined to rely on the support of governments at all levels and people of all circles, uphold the party's basic line, unite as one, keep up our morale, strictly enforce the law, do a good job in a down-to-earth manner, and strive hard to accomplish all the tasks put forth by the fourth session of the eighth provincial people's congress!

PRC: Booming Shanghai Economy Exceeds Targets Jan-Jun

*OW2507032996 Beijing XINHUA in English
0258 GMT 25 Jul 96*

[FBIS Transcribed Text] Shanghai, July 25 (XINHUA) — Economic development in China's largest Shanghai metropolis since so far this year has exceeded hoped-for targets.

One of the country's economic powerhouses, the municipality witnessed a sustained growth in its industry this year.

During the first half this year, Shanghai generated more than 244.5 billion yuan in industrial output value, an increase of 15.3 percent over the same period of last year, the municipal statistical bureau reported.

Local hi-tech industries and six leading sectors, including textiles, machinery and electronics, automobiles and telecommunications, gave a great impetus to local economic growth.

Reforms in the state-owned enterprises, and an upswing of foreign-funded enterprises, also helped push forward the local economy.

Now the economic growth speed of local heavy industry has surpassed that of light industry.

In addition to industry, the municipality also enjoyed stable development in agriculture, with the per-hectare yield and total output of the summer-harvested grain rising 7.6 percent and 17.6 percent over the same period in 1995, respectively.

PRC: Shanghai To Boost Exports of Machinery Products

*OW2507032896 Beijing XINHUA in English
0300 GMT 25 Jul 96*

[FBIS Transcribed Text] Shanghai, July 24 (XINHUA) — Shanghai plans to export 10 billion U.S. dollars worth of machinery products by the turn of the century.

The municipality plans to export 24 machinery products this year, to lift its share among local total major export commodities from 35 percent in 1995 to 40 percent.

In the past, machinery products only accounted for about 25 percent of local total export volume.

By the end of this year, Shanghai aims to export 60 major commodities, compared with the former 40, to earn five billion U.S. dollars in volume.

The city's leading products for exports cover 10 industries ranging from textiles, machinery and electronics, iron and steel, and chemical products to aquatic and farm produce.

Some of the products each receive more than 100 million U.S. dollars from annual export.

At present, the city is making greater efforts to develop products which can earn more than 50 million U.S. dollars from annual export each.

PRC: Shanghai Attracts More Returning Students

OW2507014096 Beijing XINHUA in English
0110 GMT 25 Jul 96

[FBIS Transcribed Text] Shanghai, July 25 (XINHUA) — Some 15,000 Chinese students have returned to Shanghai after finishing their studies abroad, to help the city's economic development.

Sources say that China's largest city has another 78,000 students still studying abroad.

The municipal government has developed policies for the returning scholars giving them preferential treatment, to ensure that they play a fuller role in the country's social process and economic construction.

Eighty percent of those who have returned have become leading officials or a major part of Shanghai's companies, higher learning institutions, or scientific research and medical institutes.

At present, high-tech businesses opened by returning Chinese students in Shanghai now number more than 300, as more returned Chinese students aspire to develop a career in the motherland. There was an increase of 37 percent last year over 1994 in the number of returning students.

Most scholars returning from overseas express satisfaction with their new jobs and living conditions in Shanghai.

Central-South Region

***PRC: Guangxi Party Secretary on Anticorruption Work**

96CM0388A Nanning GUANGXI RIBAO in Chinese
28 Mar 96 pp 1, 2

[Speech on 27 March 1996 by Zhao Fulin (6392 1381 2651): "Speech at Guangxi Regional Anticorruption Work Conference (Excerpts)"]

[FBIS Translated Text] Comrades:

This Guangxi regional conference on anticorruption work is a very important one. Our key mission is to conscientiously act in the spirit of the Fifth Plenary Session of the 14th CPC Central Committee, the Sixth Plenary Session of the Central Discipline Commission [CDC], the State Council's Anticorruption Work Conference, and the Seventh Guangxi Zhuang Autonomous Regional Party Congress, studying plans for Guangxi's 1996 anticorruption work, and building a better party style and honest administration, to ensure the smooth development of reform, opening, and modernization.

I. On Building a Better Party Style and Honest Administration To Ensure the Realization of the Ninth Five-Year Plan and Our Long-Range Goals for the Year 2010

The Seventh Guangxi Zhuang Autonomous Region [AR] Party Congress and the Fourth Session of the Eighth Guangxi Zhuang AR People's Congress have set the Guangxi Zhuang AR's goals for the Ninth Five-Year Plan for National Economic and Social Development and our long-range objectives for the year 2010. Reinforcing our party establishment will be the essential way to achieve our goals for the Ninth Five-Year Plan and our long-range objectives for the year 2010.

Building a better party style and honest administration will mean essentially establishing a better ideological style among leading officials. As all leading party and government officials at all levels hold a certain amount of power that was entrusted to them by the people, they must use it only in the interests of the people, absolutely not for personal gain. While the vast majority of our officials are good, passing the test of governing in the midst of reform and opening, there are certainly a few who have been promoted too far and gained too much power, and who have eased up in their demands on themselves. The lack of effective oversight has produced a number of corrupt phenomena such as abusing public authority for private gain, trading power for money, and embezzling, particularly producing corrupt elements of the likes of Chen Xitong and Wang Baosen. The Central Committee's severe punishment of them shows

the people throughout China that our party is determined to launch an in-depth struggle against corruption, while sounding yet another warning to comrades throughout the party, especially to senior officials. Leading officials certainly need to set the example in all areas, acting with self-respect, self-examination, self-vigilance, and self-vitality, setting a good example, acting as models in observing party discipline and national law, and promoting and driving an improvement of party style and overall social atmosphere, to further raise the popular trust and prestige of our party among the public

II. On Acting Resolutely in the Spirit of the Sixth Plenary Session of the Central Discipline Commission [CDC] by Launching an In-Depth Anticorruption Struggle

As the CPC Central Committee's guiding ideology, overall demands, work order, and short-term missions for the anticorruption struggle are all quite clear, we need to implement them conscientiously. The CDC's 1996 work plans are focused on the three work priorities for leading officials of honest administration and self-discipline, the investigation and prosecution of violations of law and discipline, and the rectification of unhealthy bureaucratic and industrial tendencies. We need to tighten our oversight forces, emphasizing priorities, stressing efficiency, and launching a particularly effective struggle to promote the building of a better party style and honest administration and to combat corruption throughout Guangxi, to create a good environment for reform, development, and stability.

1. On doing a good job of keeping leading officials honest and self-disciplined. We need to continue to implement all Central Committee and AR regulations on keeping leading officials honest and self-disciplined, conscientiously holding special democratic action meetings on honesty and self-discipline among leading officials, and tightening our oversight and inspection of the honesty and self-discipline of leading officials. Leading officials at all levels need to resolve to settle well the problem of the abuse of public funds for private banqueting and amusement, determining to solve the problem of the abuse of public power for private gain by leading officials in areas such as the acquisition, construction, purchasing, and furnishing of housing. We need to continue to emphasize the implementation of the three Central Committee regulations on the declaration system for the incomes of leading party and government officials above the county (departmental) level, the registration system for gifts accepted by workers in party and state organs, and the reporting system to worker congresses on state enterprise business entertainment spending. We will also enforce in 1996 the

"Regulations on the Reporting of Crucial Personal Matters by Leading Officials in Party and Government Organs Above the County (Departmental) Level," gradually putting the job of keeping leading officials honest and self-disciplined onto a legal track, to promote new advances in this area.

2. On continuing to investigate and prosecute violations of law and discipline more forcefully. We need to continue to focus on prosecuting violations of law and discipline by party and government organs, administrative law enforcement organs, judicial organs, and economic management departments, making a priority of prosecuting such cases by leading officials above the county (departmental) level. We need to organize our forces, going deep into fields where the incidence is higher and cases are larger and more major, such as finance, securities, real estate, land leasing and wholesale rental, and construction project contract issuing, investigating and prosecuting major and crucial cases, to frighten economic offenders. And we need to focus our human and material resources on investigating and prosecuting cases of embezzlement, bribery, abuse of public funds, tax fraud, perversion of justice, smuggling, dereliction of duty, malfeasance, and false and exaggerated reporting. As to major and collusion cases involving multiple industries and regions, the pertinent regions and departments need to act in coordination, handling the cases jointly, for better case-handling efficiency. We need to deal severely with attempts to conceal and refusal to submit, and with the pigeonholing, dragging out, and interfering in cases. Wherever severe problems are not investigated and prosecuted, we need to investigate and affix the liability of the leadership. We need to enforce law and discipline strictly. As to corrupt elements who abuse public power for private gain, pervert justice, or engage in bribery, despite their position, we need to enforce the law, absolutely not indulging traitors.

3. On endeavoring to rectify unhealthy bureaucratic and industrial tendencies. We need to consolidate our success in clearing up "the three arbitraries," to keep such unhealthy tendencies from "making a comeback," continuing to make a priority of rectifying the unhealthy tendencies of arbitrary roadblocks, fees, and fines, arbitrary public school charges, and arbitrary fees and assessments on peasants and in the construction market. In curbing "the three arbitraries," we need to continue to stress cases where the arbitrary fees have been clearly ordered to be abolished, dealing strictly with obstruction of cases. To curb arbitrary charges, we need to go to the source, standardizing government and bureaucratic behavior, to conscientiously achieve two separate lines for receipts and spending.

III. On Further Tightening the Oversight and Restraint of Leading Officials Essentially To Curb Corruption

In line with the CDC work plans and our AR realities, in the current tightening of our oversight and restraint of the power of leading officials, we need to stress mostly the following two areas: 1) Oversight of political discipline. We need to investigate and oversee party members and officials, particularly leading officials above the county department level, as to whether they keep a high degree of political unity with the CPC Central Committee, and whether they defend the Central Committee's authority. We need to firmly oppose behavior such as saying yes but meaning no, feigned compliance, fraud, and false and exaggerated reporting, ensuring that leading officials at all levels carry out correctly and in an all-out way the party's basic line, fundamental principles, and all of its policies. Meanwhile, we also need to investigate and oversee leading officials in the strict observance of all principles of democratic centralism. All major decisions, appointments, and dismissals of important officials, plans for key construction projects, and large spending proposals need to be discussed collectively. In particular, we need to set up a sound system of fund use examination and approval, absolutely not allowing individuals or a minority to act arbitrarily. 2) Oversight of honesty and self-discipline. We need to firmly curb all abuse of power, keeping a few leading officials from abusing their public authority for private gain, converting power into money, or using public monies for the pursuit of luxury and pleasure.

In all oversights specifically, we need to take the following steps:

1. We need to tighten our internal oversight of the collective leadership. While tighter internal oversight of leading bodies is particularly important, such oversight seems quite ineffective in some leading party and government bodies at present. That keeps unhealthy tendencies in certain localities and units from being curbed promptly, while preventing healthy ones from being displayed, even to the point of leading certain leading officials onto a path of crime. So the leadership at all levels needs to undertake its obligations conscientiously, taking the lead in stressing study, politics, and healthy tendencies, being first to engage in criticism and self-criticism, and promptly correcting all wrong thought and action, to firmly curb all abuse of power.

2. We need to bring into full play the advantages of discipline inspection and oversight organs. In 1996, the center reestablished the five systems of sending inspectors to all provinces, having discipline inspection commissions at all levels oversee party committees at the

same level, requiring discipline inspection commissions at all levels that receive reports and complaints about lower-level party committee members to submit them to the higher-level discipline inspection commission, requiring that promotions of leading officials at all levels solicit the opinions of discipline inspection commissions at the same level, and requiring that the appointment or dismissal of leading officials of discipline inspection and oversight organs at all levels be approved by higher-level discipline inspection and oversight organs. These are key steps to bring into full play the functions of discipline inspection and oversight organs. So discipline inspection organs at all levels need to perform their duties more diligently, actively engaging in law enforcement oversight and discipline enforcement inspection, in an effort to nip in the bud the negative corruption involved in all abuse of power.

3. We need to combine tighter oversight with system building and ideological indoctrination. We need to indoctrinate party members and officials in establishing the Marxist worldview, outlook on life, and values, firmly resisting the corrosive influence of money worship, hedonism, negative individualistic thinking, and all decadent lifestyles. We need to be honest and upright, loving the people, revering the cause, respecting reality, contributing, and always remembering that we are public servants. And we need to build ideological dikes against corruption and degeneration, to ensure that all rules and regulations are carried out.

4. We need to bring into full play the role of mass [public] oversight. As our party's power was granted to us by the people, the public has the authority to oversee the use of power by our party officials. Such power oversight has diverse forms in our immediate lives, such as reports by letter, people's congresses, multiparty cooperation under Communist Party leadership, especially invited overseers, the news media, and open administrative systems. So we need to make full use of such channels to enable the public to oversee us directly and indirectly, so that the exercise of power by leading officials at all levels is under public oversight.

IV. On the Need for Party Committees at All Levels To Intensify Their Leadership of the Anticorruption Struggle

An in-depth struggle against corruption, to steadily promote better party style and honest government, will affect our success in reform, opening, and economic construction, our political security and social stability, our public support, and the survival of the Communist Party. So party committees and governments at all levels need to give high priority to the job, with leading officials at all levels needing an in-depth awareness of the impor-

tance and urgency of the anticorruption struggle, conscientiously and firmly establishing the ideology of "two-line emphasis with firmness in both areas" (spiritual and material civilization), and doing an earnest job of leading the anticorruption struggle, in a great effort to do a good job of the anticorruption struggle in their own localities and units. We need to intensify the leadership of party committees at all levels of discipline inspection and oversight, firmly supporting discipline inspection and oversight organs at all levels in the conscientious performance of their duties, and honestly listening to the reports of discipline inspection and oversight organs on anticorruption work, to bring into full play the dominant role of our discipline inspection and oversight ranks in the anticorruption struggle. As to major cases, party and government leaders need to get personally involved, clearing out all resistance, to solve all practical problems encountered in the work. The party committee leadership at all levels needs to voluntarily submit to oversight by discipline inspection commissions at the same level, taking the lead in defending the prestige of discipline inspection and oversight organs. And discipline inspection and oversight organs at all levels need to establish a strong sense of responsibility and urgency, with the many discipline inspection and oversight officials studying harder to further raise their ideological, governmental, political, and professional skills, and displaying a fighting spirit of selfless impartiality, resistance to flattery, nonfavoritism, and boldness in dealing with difficulties, in an effort to perform the anticorruption struggle well.

PRC: Henan 'Strike-Hard' Campaign Scoring Success Since Apr

OW2407134496 Beijing ZHONGGUO XINWEN SHE in English 1141 GMT 24 Jul 96

[FBIS Transcribed Text] Zhengzhou, Henan, July 24 (CNS) — Since late April when the 'strike hard' campaign was launched, police in Henan province have solved 18,711 criminal cases. They have also smashed 5,650 separate crime syndicates and shut down 6,358 vice establishments up to and including July 23.

However, there was no mention of the exact number of arrests, but police did announce that some 1,600 offenders have voluntarily surrendered themselves to the police authorities.

Furthermore, out of the RMB 130 million stolen goods recovered during the campaign, RMB 30 million have been returned to their rightful owners.

There were many serious cases among the thousands cleared up. For instance, police officers in Qi county reported that a man had RMB 260,000 stolen after the

culprit used chloroform to knock him unconscious. The culprit has now been arrested. In Fangcheng county, police arrested a man alleged of both murder and arson offences, only to discover that he was also wanted for another murder, one count of rape and three counts of robbery.

In Xuchang city, a man wanted in connection with a murder case was apprehended and in Zhengzhou a man suspected of being involved on several kidnappings was also caught. As a result of the extensive police crackdown, many fugitives have also been identified and arrested.

In the wake of the 'strike hard' campaign, Henan's overall crime rate has already begun to decline rapidly, dropping 21.8 per cent in one month. The drop, recorded between May and June this year, reflects improved public security throughout the province.

***PRC: Henan Improves Family Planning Measures**
96CM0317A Beijing NONGMIN RIBAO in Chinese
27 Mar 96 p 2

[Article by Henan Provincial Family Planning Commission: "Strengthen leadership, Put an End to the Backward State in Family Planning Work"]

[FBIS Translated Text] Henan province introduced family planning comparatively late. Because of varied factors, this province was lagging behind other provinces in family planning during the Seventh Five-Year Plan. As the Eighth Five-Year Plan opened, we adopted a series of effective measures, bringing about a substantial change in the backward state in family planning. For the past five consecutive years, we did a good job in fulfilling the state's population control plan. We have achieved this mainly by adopting the following measures:

1. Seeking unity of thinking and strengthening leadership. We failed to fulfill the population control plan during the Seventh Five-Year Plan. An analysis revealed the following main contributing factors to our lagging behind: unstable policies, poor basis, primitive methods, and failure on the part of party-member cadres to play an exemplary role. To reverse this situation as soon as possible, the provincial party committee and government took a series of effective measures. In 1991, we set a strategic goal for this province to achieve an economic growth slightly higher than the country's average level but a population growth rate slightly lower than the country's average rate by 2000. While vigorously developing the economy, we have strengthened leadership over family planning in real earnest, carrying out

the family planning work and the economic work simultaneously in terms of task assignment, work inspection, assessment, and meting out of rewards and punishments.

2. Straightening out the order in family planning by starting from the operation against deceitful practices regarding family planning. In the few previous years some local party-member cadres in our province ran wild in practicing fraud to cover up extra-quota births, which set a very bad example to the public. To reverse this situation, the provincial party committee decided to introduce a provincewide operation of "four inspections, one implementation" as of 1991. The "four inspections" mean to check whether people have a strong sense of family planning as a part of the basic national policy; whether a good job has been done in the family planning work as a regular operation and permanent system; whether cadres who are party or CYL [Communist Youth League] members have played an exemplary role in family planning; and whether the family planning work has been carried out in a down-to-earth manner free of trickery. The "one implementation" means to conscientiously implement the "Henan Province Regulations on Family Planning." Meanwhile, in the past few years we have monitored the implementation of the family planning policy among party-member cadres and their children on a long-term basis, as a part of the management-by-objective program for population control and family planning. Thus we have made sure that the family planning work will be carried on along the right track.

3. Paying special attention to the work at the grass-roots level, laying down a sound foundation, and promoting the family planning work. Over the past five years, we have made unremitting efforts to strengthen basic work at the grass-roots level. Now every county in this province has its own family planning propaganda and technical service station, every township has its own family planning propaganda and technical service center, and 98 percent of the administrative villages have set up their own family planning propaganda and technical service offices. In order to strengthen the service functions of this three-tier network, improve the means of service, and apply scientific management, the provincial financial department sets aside 4 million yuan to purchase one ultrasound scanner for each of the more than 2,300 township (town) family planning centers (two ultrasound scanners for each larger township), to install mini-computers for more than 60 county family planning commissions, and to purchase 1/2 medical cameras [as published] for 118 counties (cities). At present, over 90 percent of the administrative villages in this province have hired their own family planning propaganda coordinators, most villagers' groups have their own officers,

who are paid for their service to a varying extent, to take care of women of child-bearing age. We have also introduced a set of standardized statistical account forms and a standardized management system for birth and death records, contraception and birth control, and pregnancy examination.

At present, more than 90 percent of the townships and more than 80 percent of the villages in this province have set up their own family planning schools, all with electronic teaching equipment. Over the past few years, we also compiled concise booklets on population control and family planning, and had them printed and distributed in rural areas throughout the province. This has been proved quite effective in disseminating the ideas of family planning. We have also devoted great efforts to training of cadres, with over 500,000 family planning cadres at and above the village level undergoing various types of relevant professional training.

As viewed from the cases of 30 first-category counties and the pilot projects run in all counties and cities in the province, "three-in-one" [san jie he 0005 4814 0678] family planning projects assumed three typical forms. The first type is represented by the case of West Henan mountain areas. By exploiting natural resources, these localities have promoted township or village-run enterprises to accommodate households that have joined family planning programs. The second type is represented by the case of Central Henan plains. The authorities have been helping develop the courtyard economy here. Households that have joined family planning programs enjoy preference in obtaining business information and capital goods, such as fine varieties of crop and chemical fertilizer, so that they can take the lead in getting rich. The third type is represented by economically underdeveloped areas in South Henan. These areas have been promoting collective-run farms in aquatic products industry, animal husbandry, and planting. Households who have joined family planning programs enjoy the preference in running orchards, fish farms, and plantations in barren hills, and are provided with funds, business information, technical services, and so on. These areas are developing the local economy by helping this kind of households to get rid of poverty and become rich.

PRC: Hubei Releases 1995 Census Findings*96CM0317B Wuhan HUBEI RIBAO in Chinese****3 Mar 96 p 2**

[Report: "Hubei Provincial Statistical Bureau's Release of Main Findings of the 1995 Provincial 1-Percent Population Sampling Census"]

[FBIS Translated Text] In compliance with the State Council's decision, a nationwide 1-percent population sampling census was held in 1995. This census was conducted by a group sampling method at different levels and by different stages. In our province, 2,572 small districts were selected from 50 county-level administrative areas for census, and data were collected from a total of 497,109 people. The standard reference time for the census was zero hour, 1 October 1995. Under the leadership of the people's governments at all levels, and with the active support and close cooperation by the broad masses, the census was rounded off as a result of the hard work of all the census investigators and staff. Now the rapid compilation and analysis of principal data has been finished. The following are the main findings as calculated on the basis of the data gathered from this census:

1. The Province's Total Population

As of zero hour, 1 October 1995, Hubei province's total population was 57,555,700. As compared with the 53,970,500 population as recorded at zero hour, 1 July 1990 during the fourth population census, the total population increased by 3,585,200 in five years and three months, a growth of 6.64 percent at an average annual growth rate of 1.23 percent. This indicates a remarkable slowdown of population growth in this province during the Eighth Five-Year Plan. As compared with the period of the Seventh Five-Year Plan, the average annual population growth rate was down by 0.55 percentage point. This implies a remarkable success in population control in this province during the Eighth Five-Year Plan.

2. Birthrate and Mortality

In 1995, our province's birthrate was 16.18 per thousand, the number of newborn population was 929,600, the mortality rate was 6.91 per thousand, and the number of deaths was 397,000. Thus the natural population growth was 9.27 per thousand and the year's net increase in population was 532,600. As compared with the demographic data for 1994, the newborn population decreased by 103,500, the number of deaths increased by 17,200, thus the net increase in population dropped by 120,700.

3. Family Size

The total number of family households in the province was 15,213,700, and the total number of family members was 57,229,800, thus the average family size was 3.76 people per household. As compared with the finding of the fourth population census in 1990, the average family size decreased by 0.25 person.

4. Permanent Population Status

There were 55,646,200 permanent residents of townships, towns, and neighborhoods with local permanent residential household registration, accounting for 96.4 percent of the province's total population. There were 1,868,600 township, town, and neighborhood residents who had their permanent residential household registration elsewhere, accounting for 3.24 percent of the province's total population. There were 205,800 people who are classified under other household registration categories, accounting for 0.36 percent of the province's total population.

5. Sex Distribution

The province's male population was 29,595,500, accounting for 51.27 percent of the province's total population. The province's female population was 28,125,200, accounting for 48.73 percent. Thus the male-female ratio was 105.21:100.

6. Nationality Mix

The province's Han nationality population was 54,834,700. As compared with the demographic data of the fourth population census in 1990, the proportion of the Han nationality population to the total population dropped from 96.03 percent to 95.97 percent. Meanwhile, the proportion of the minority nationality population to the total population rose from 3.97 percent to 4.03 percent.

7. Urban Population

The province's population residing in urban areas was 18,008,900. As compared with the figure recorded during the fourth population census in 1990, the proportion of the urban population to the total population increased from 28.75 percent to 31.2 percent, an increase of 2.45 percentage points.

8. Education

The distribution per 10,000 population of different population groups as classified by education standard was as follows: college or above—175 people, an increase of 18 people over the 1990 figure; senior secondary—872 people, a decrease of 14 people as

compared with the 1990 figure; junior secondary—2,604 people, an increase of 288 people over the 1990 figure; primary education—3,889 people, an increase of 306 people over the 1990 figure. The province's illiterate and semiliterate population was 6,926,500. As compared with the figure recorded during the fourth population census in 1990, the proportion of the illiterate and semiliterate population to the province's total population dropped from 15.79 percent to 12 percent.

9. Sampling Error

The accuracy of this population census was 95 percent, the sampling error for the birthrate was 0.28 per thousand, and the sampling error for the mortality rate was 0.19 percent thousand. These figures indicate that the findings of this sampling census meet the expected standards, and the acquired data are reliable.

Notes: 1. Urban population is composed of the district population under cities with districts, the neighborhood population in cities without districts, the population belonging to residents' committees in towns under cities, and the population belonging to residents' committees in towns under counties.

2. Population groups as classified by education standard include graduates from schools, those who had once enrolled with schools, and those who are currently enrolled with schools.

3. The illiterate and semiliterate population denotes those at and above the age of 15 who cannot read at all or have very limited reading ability.

4. The factor of sampling error was already taken into account when the birthrate and mortality rate of the province for 1995 were calculated.

PRC: Hubei Secretary Speaks on Enterprise Reform

SK2507050496 Wuhan HUBEI RIBAO in Chinese
5 Jul 96 pp 1, 2

[FBIS Translated Text] The whole province, from higher to lower levels, must conscientiously study and comprehend the guidelines of Comrade Jiang Zemin's speech on invigorating state-owned enterprises in an effort to enhance a sense of urgency and responsibility for successfully running state-owned enterprises. Party committees and governments at all levels should regard this work as the "leadership project." Principal leaders should personally command this work and should be most determined to carry this work through to the end with a view to making improvement in this aspect this year, making a breakthrough next year, and yielding great results the year after. This is the demand raised by Comrade Jia Zhijie, secretary of the provincial party

committee, while conducting investigation and study at the Daye Iron and Steel Complex.

On the night of 1 July, Jia Zhijie, by leading a work team, rushed to the Daye Iron and Steel Complex. On the morning of 2 July, he investigated the No. 2 steel mill, the No. 1 steel rolling mill, the No. 170 seamless steel tube plant, the No. 4 steel mill, and the steel research institute. In front of the scorching hot boilers at rolling machine rooms, Jia Zhijie learned about the detailed situation in production and equipment operation. That afternoon, he listened to a report on the comprehensive situation of the Daye Iron and Steel Complex and a special report on its technological transformation and financial affairs. On the morning of 3 July, he talked with middle-level cadres, scientific and technological personnel, and representative of the workers at the Daye Iron and Steel Complex. During the talk, he earnestly studied and arranged for the complex' work at present and in the next step. Then, he delivered a speech on how to successfully operate the province's state-owned enterprises.

Jia Zhijie said: In recent years, the CPC Central Committee and the State Council have paid high attention to the reform and development of state-owned enterprises. And, in less than one year, Comrade Jiang Zemin delivered four important speeches in succession on the issue of successfully operating state-owned enterprises. Such a case is rare in our party's history. Thus, the whole province, from higher to lower levels, must conscientiously study the guidelines of General Secretary Jiang's important speeches to further unify the thinking. We should understand how important and urgent it is to successfully run state-owned enterprises and then operate such enterprises with the greatest boldness and energy by proceeding from the political significance of consolidating the socialist system, from the demand of accomplishing the trans-century magnificent blueprint for our cause, from the social responsibility for safeguarding the society's stability, and from the high plane of maintaining unanimity with the CPC Central Committee and ensuring a smooth implementation of the orders and decrees of the central authorities.

Jia Zhijie stressed: We should further emancipate the mind and meticulously organize forces to operate state-owned enterprises well by regarding it as a social systems engineering and a leadership project. To this end, we should pay attention to the following five aspects.

First, we should pay attention to study and further emancipate the mind. At present, the province' reform has entered the most difficult stage, and we must place ideology before everything else. Through the

profound study of Deng Xiaoping's theory of building socialism with Chinese characteristics, the important speeches of Comrade Jiang Zemin, and the guidelines of the third and fifth plenary sessions of the 14th CPC Central Committee, we should shake off, in our deep heart, the yoke of abstract disputes on the questions of "socialism or capitalism" and intensify the concept of judging things based on the criterion that whether it is conducive to developing socialist productive forces; to enhancing the comprehensive national strength; and to improving people's living standards." Whatever should be tried boldly so long as it is in agreement with this criterion and with the "three specific principles" stipulated by the provincial party committee and the provincial government. We should do away with the idea of the traditional planned economy; intensify a market sense, a sense of competition, and a sense of efficiency; and use the sense of market economy and law on market economy to approach, handle, and resolve new situations and new problems cropping up in developing the reform of state-owned enterprises. We should also break with the idea of waiting for, depending on, and asking for something" and intensify the idea that the decisive factor for the rise and decline of an enterprise lies in itself and thus an enterprise should positively and voluntarily try to make breakthroughs on its own.

Second, we should get on with the propaganda to create a general atmosphere for carrying out the reform. Reform of state-owned enterprises has a bearing on the readjustment of interests of many fields. Hence, we need an all-out cooperation of many departments to expedite the comprehensive reform and comprehensive management. Without forceful propaganda, it is very difficult to promote the comprehensive reform and comprehensive management. We should bring the idea and understanding of cadres and the masses into line with the guidelines of Comrade Jiang Zemin's speech and further strengthen their awareness and steadfastness in enterprise reform. Like we did last year in conducting the general discussion and propaganda of the Ninth Five-Year Plan, we should vigorously propagate the reform of state-owned enterprises by opening special columns on radio and television stations, organizing special discussions, and disseminating typical cases in order to intensify the immediate guiding significance of enterprise reform.

Third, we should have a firm grip on practice and seek breakthroughs in focal and difficult aspects. At present, principles of invigorating state-owned enterprises have been defined. What remains to be done is practice. Party committees and governments at all levels should vigorously advocate the idea of placing practice before

everything else and the spirit of daring to try something and go ahead and then be bold in practice and be brave in making explorations. At present, we should seek breakthroughs in three fields: 1) We should seek breakthroughs in the management of enterprise capital. Just like Shanghai did, we should establish the idea that "the key of markets lies in the management and use of capital" and the idea that "profits can be brought to assets only when they are in circulation." Popularizing the experiences of Xiangfan and Xiantao, we should manage to explore the form of realizing the public ownership system that is suitable for the socialist market economy, such as the enterprise property rights organizational form, with a view to maintaining and adding the value of assets. 2) We should seek breakthroughs in learning from the Handan Iron and Steel Complex and intensifying the management of enterprises. The problem of enterprise management is most serious, while the potential in enterprise management is the biggest. We must overcome the phenomenon of substituting management for reform, resolutely retrieve failures in management, and try to improve efficiency through intensified management. 3) We should seek breakthroughs in helping enterprises improve their leading bodies. A good leading body equipped with a good director (manager) and a good party committee secretary may bring a dying enterprise back to life; while a poor director may bring a good enterprise to death. There are much experience and lessons like this in our province. Party committees and governments at all levels should go all out to strengthen the ideological and organizational building of leading bodies of enterprises.

Fourth, we should have a firm grip on implementation and carry out the "leadership project." Reform of state-owned enterprises has a bearing on the economic and political spheres as well as all the fields of party and government work. Only when top party and government leaders at all levels personally command the reform can we constantly deepen the reform in a well-guided and step-by-step manner. We should carry out the responsibility system at each level. Party committees and governments at each level should assume responsibility for invigorating state-owned enterprises at the same level.

Fifth, we should pay attention to achieving a balanced development of the state-owned sector of the economy. In invigorating state-owned enterprises, the provincial party committee and government have carried out the "two handed" policy. That is, to grasp good localities and enterprises with one hand. In the third quarter, we will hold an on-the-spot meeting on invigorating state-owned enterprises to conscientiously summarize and popularize successful experiences and to promote the reform and development of state-owned enterprises

through the demonstration of typical cases. The other hand should be used to grasp backward localities and enterprises. Towards these localities and enterprises, the provincial party committee and government should hold a discussion with them separately to analyze reasons and work out countermeasures.

Jia Zhijie said: As regards the work methods to invigorate state-owned enterprises, we should lay emphasis on dialectics. We should combine control over large enterprises with decontrol over small enterprises and pay equal attention to both. We should combine selected enterprises with ordinary enterprises. The provincial authorities and all localities should successfully carry out experiments at selected enterprises and then popularize the successful experiences among ordinary ones. We should combine reform with development and accelerate development with reform. We should combine stability with development and strive to safeguard stability with development and expedite development with stability. We should combine the building of spiritual civilization with economic development, exert great effort in building spiritual civilization, intensify party building among enterprises, and appropriately handle the relations between the central task and the task of wholeheartedly depending on the working class to run enterprises.

Leading comrades of the pertinent provincial-level departments, the Wuhan Iron and Steel Complex, and the Wuhan Railway Subbureau were accompanied Jia Zhijie on his inspection tour.

On 4 July, together with Chen Jiajie, secretary of the Huangshi City Party Committee, and Ren Shimao, mayor of Huangshi City, Jia Zhijie and his entourage went to the Sigu Floodgate in Daye City and Dongfang Iron and Steel Company to conduct investigation. They also inspected the preparatory work for controlling floods in Huangshi City.

PRC: Hubei City Criticized for 'Arbitrary' Construction Fund

OW2407022896 Beijing ZHONGGUO XINWEN SHE
in English 0133 GMT 24 Jul 96

[FBIS Transcribed Text] Beijing, July 23 (CNS) — The Ministry of Finance has announced that it strongly disapproves of the arbitrary way in which Yichang City in Hubei Province has gone about collecting its city construction fund.

The Ministry of Finance, together with the State Planning Commission, the Auditing Administration, the People's Bank of China and the Ministry of Supervision have formed a group to investigate the matter. Yichang has been asked to alter its position immediately.

On May 23, the Yichang Price Bureau, the Finance Bureau, the Public Security Bureau and the City Construction Commission jointly issued a notice stating that the owners of all motor vehicles registered in Yichang should pay a contribution toward the construction fund from June 1. Between June 1 and July 9, Yichang authorities collected a total of RMB [renminbi] 2.861 million from vehicle owners.

Yichang started to collect funds from motorists while the State Council began an investigation into the problem of arbitrary fund collecting across the country. Ministry of Finance officials believe that this is a serious case violating state regulations concerning fund collection.

Yichang has now withdrawn its new fund collection policy, in favour of a more moderate policy. The Yichang Municipal Government has acknowledged its fault in the media.

Southwest Region

***PRC: Guizhou Issues 1995 Statistical Communiqué**
96CM0316A Guiyang GUIZHOU RIBAO in Chinese
1 Apr 96 p 2

[Statistical Communiqué of the Guizhou Provincial Statistics Bureau on 1995 Economic and Social Development—28 March 1996]

[FBIS Translated Text] The year 1995 was the last year in the Eighth Five-Year Plan. During that year, the people of all nationalities in our province, led by the provincial party committee and government, continued to implement the policy of "taking hold of the opportunity, deepening reforms, opening wider to the outside world, encouraging development, and keeping stability" established by the central authorities. They quickened their pace of reform, opening up, and economic construction and put into practice two great strategies, i.e., motivation by opening up and making Guizhou prosperous by developing science and education. As a result, the province's economy showed a faster, sustained, and stable development, the living standards of both urban and rural people continued to improve, and all social undertakings were crowned with new progress. According to preliminary statistics, the GDP for the year was 63.901 billion yuan, showing a 9-percent rise over the preceding year. In terms of different industries, the primary industry registered an added value of 21.765 billion yuan, up 2.6 percent compared with the preceding year; the secondary industry 24.296 billion yuan, up 13.7 percent; and the tertiary industry 17.84 billion yuan, up 9.9 percent. During the Eight Five-Year Plan period, the

province's GDP increased annually by an average 9 percent, which was 2.3 percentage points faster than the 6.7 percent registered for the Seventh Five-Year Plan period. These five years were another period marked by relatively fast development since the commencement of the reform and opening-up drive. It laid a sound foundation for the prefulfillment of the objective of redoubling the GNP in the early stage of the Ninth Five-Year Plan.

However, striking problems existed in connection with development: The pace of development lagged far behind the nation's average. The general price level was still too high. A big gap existed between the supply and demand of capital. Some enterprises suffered grave losses with difficulties in production and operations, and their economic efficiency was declining.

I. Agriculture, Forestry, Animal Husbandry, and Fisheries

In 1995, the province's total grain production hit a record high. The year 1995 was also the second historical year marked by a high output of rapeseeds.

The output of major farm produce was as follows:

	1995	Increase Over 1994(%)
Total grain output	9,488,500 tons	1.6
Of which: Summer grain	1,975,100 tons	5.3
Autumn grain	7,513,400 tons	—
Oil-bearing crops	588,300 tons	24.3
Of which: Rapeseeds	531,300 tons	27.2
Cured tobacco	335,300 tons	3.9
Sugarcane	269,100 tons	7.9
Silkworm cocoons	1,953 tons	4.4
Tea	15,600 tons	4.0
Fruits	209,700 tons	27.3

In 1995, new afforested areas in the province totaled 285,100 hectares, including 243,000 hectares that were purely artificially afforested. As for main forestry products, the output of raw lacquer reached 817 tons, an increase of 36.6 percent from the preceding year; gall-nuts 1,313 tons, an increase of 24.3 percent; tung tree seeds 94,039 tons, a decrease of 0.2 percent; and tea-oil tree seeds 6,496 tons, a decrease of 14.2 percent.

The year 1995 was the 17th straight year of steady development of livestock production in the province.

The output of major animal products and livestock headage slaughtered and in stock were as follows:

	1995	Increase Over 1994(%)
Total meat production	1,056,900 tons	11.2
Cow milk	13,800 tons	-3.6
Eggs	58,200 tons	9.8
Hogs slaughtered	10,447,900 head	9.4
Beef cattle slaughtered	588,800 head	8.8
Sheep and goats slaughtered	1,015,200 head	17.9
Big animals in stock at year end	7,298,100 head	3.1
Hogs in stock at year end	16,075,800 head	8.6
Sheep and goats in stock at year end	2,212,200 head	16.4

In 1995, the province's aquatic production totaled 32,700 tons, or 16.6 percent more than the preceding year.

As of the end of 1995, agricultural machinery in the province had a total power of 3.7911 million kw, up 5.7 percent from the preceding year. Of this, the power of irrigation and drainage equipment amounted to 457,100 kw, an increase of 7.1 percent, and machinery for processing farm produce 1.4158 million kw, down by 1 percent. There were 40,500 small-sized tractors, an increase of 8.3 percent; 10,035 farm trucks, an increase of 12.6 percent; 1,131 spray irrigation machines, an increase of 6.5 percent; and 60,000 pumps for farm use, an increase of 6.2 percent. As of the yearend, the province had 730 hydropower stations operated by townships and villages. For the whole year, the total consumption of electricity in rural areas was 792 million kwh, and chemical fertilizers (converted to 100 percent effective content) and pesticides applied to fields reached 607,700 tons and 8,000 tons respectively. Meanwhile, new progress was made in harnessing rivers and improving soil. Continued efforts were devoted to irrigation and water-conservancy construction projects, which resulted in 5,100 hectares of new irrigated land, bringing the total acreage under effective irrigation to 612,100 hectares.

During the Eighth Five-Year Plan period, the added value of agriculture, forestry, animal husbandry, and fisheries kept expanding each year at an average rate of 4.4 percent. As far as the total output value of these four undertakings are concerned, the average increase was 4.8 percent per annum. The aggregate output of major farm produce and sideline products for these five years: grain 44.3145 million tons, up 10.207 million tons over the Seventh Five-Year Plan period; rapeseeds 2.4103 million tons, up 564,800 tons; cured tobacco 1.9966 million tons, up 698,700 tons; meat 4.5686 million tons, up 1.2249 million tons; and aquatic products 132,700 tons, up 42,700 tons. Fairly fast progress was made in developing the rural industry, construction, transportation, commerce, as well as the catering trade. The rural economy saw a higher degree of commercialization.

II. Industry and Construction

In 1995, the total added value of industry in the province was 21.522 billion yuan, or 14.2 percent over the preceding year. Of this amount, 7.059 billion yuan were attributed to the light industry, while 14.463 billion yuan to the heavy industry, the ratio between the two being 32.8:67.2. State-owned industries registered an added value of 13.946 billion yuan, up 0.4 percent from the preceding year; collective industries 3.142 billion yuan, up 23.8 percent; and nonpublic-owned industries 4.434 billion yuan, up 18.5 percent. For large and medium-sized enterprises, the added value was 13.81 billion yuan, up 12.3 percent. Out of the total industrial output, 44.839-billion-yuan worth of products were sold by various enterprises, an increase of 12.9 percent over the preceding year. Of this amount, sales scored by large and medium-sized enterprises amounted to 29.258 billion yuan, an increase of 12 percent. The sales-to-production ratio for industrial products was 94.7 percent, exceeding the preceding year's record by 0.2 percentage point.

The output of major industrial products was as follows:

	1995	Increase Over 1994(%)
Cigarettes	2,044,500 boxes	0.8
Alcoholic beverages	288,500 tons	-4.3
Plastic products	32,400 tons	17.0
TV sets	490,500 sets	8.1
Household washing machines	47,500 each	-54.0

	1995	Increase Over 1994(%)
Coal	55,100,000 tons	9.1
Power output	22,589 billion kwh	17.1
Of which: Hydropower output	10,653 billion kwh	25.0
Coke made by mechanized ovens	746,800 tons	-22.5
Ferroalloys	304,100 tons	-3.6
Pig iron	1,084,600 tons	-11.4
Steel	645,600 tons	-7.6
Rolled steel	494,200 tons	-12.0
Aluminium	170,800 tons	13.6
Cement	4,714,700 tons	1.8
Plate glass	460,600 boxes	13.9
Phosphate rock	3,693,700 tons	8.2
Chemical fertilizers (converted to 100 percent effective content)	613,400 tons	14.4
Synthetic ammonia	510,900 tons	-0.5
Sulfuric acid	144,600 tons	21.6
Caustic soda	24,100 tons	20.5
Automobiles	4,908 each	32.6
Tires	1,520,300 each	27.3

A survey covering 1,946 enterprises with the independent accounting system reveals that the turnover period for industry's current assets was 348 days, longer than the preceding year by 10 days. The total sales cost of industrial products was 22.518 billion yuan, or 16.8 percent more than the preceding year. Taxes and extra fees on sales amounted to 2.465 billion yuan, an increase of 9 percent. Loss-incurring enterprises suffered a total loss of 1.185 billion yuan, an increase of 42.8 percent. After offsetting profits and losses scored by various enterprises, there was a net loss of 756 million yuan, surpassing the preceding year's record by 730 million yuan. The profit-to-capital ratio was 9 percent, down 2 percentage points from the preceding year.

During the Eighth Five-Year Plan period, the added value of industry grew by an average 12.3 percent each year. Some industrial resources and special products witnessed a rather big growth in output. Coal produced during this period totaled 230.52 million tons. This was 69.27 million tons more than the output registered

for the Seventh Five-Year Plan period and showed an average annual growth of 8.3 percent. Other figures: power output 81.5 billion kwh, an increase of 35.7 billion kwh and an average annual growth of 16.8 percent; cement 20.2 million tons, an increase of 6.48 million tons and an average annual growth of 11.1 percent; ferroalloys 1.18 million tons, an increase of 540,000 tons and an average annual growth of 14.9 percent; sulfuric acid 570,000 tons, an increase of 210,000 tons and an average annual growth of 8.4 percent; phosphate rock 17.09 million tons, an increase of 4.07 million tons, and an average annual growth of 2.6 percent; cigarettes 10.09 million boxes, an increase of 1.59 million boxes and an average annual growth of 0.6 percent; alcoholic beverages 1.43 million tons, an increase of 480,000 tons and an average annual growth of 6.8 percent.

In 1995, the province had 116 state-owned construction enterprises. The added value created by these enterprises was 1.285 billion yuan, 2.5 percent more than the amount registered in the preceding year. While aggressively implementing the responsibility system concerning bidding for construction projects, these enterprises built 1,746 projects through public bidding, up 101.6 percent from the preceding year. These projects covered a total area of 2.969 million square meters. Housing construction covered 7.3 million square meters, up 7.3 percent, and finished housing projects were valued at 1.881 billion yuan, down 14 percent. The rate of completion of housing construction was 45.7 percent, down 14 percentage points. The overall labor productivity calculated by the added value was 9,519 yuan per person, down 15.2 percent.

III. Investment in Fixed Assets

In 1995, investment in fixed assets amounted to 16.617 billion yuan, up 17.9 percent from the preceding year. Of this amount, 10.257 billion yuan were attributed to state-owned units, up 9.4 percent; 1.267 billion yuan to the collective economic sector, up 29.7 percent; 3.561 billion yuan to individual investors in urban and rural areas, up 12.2 percent; and 1.532 billion yuan to other economic sectors, up 168.1 percent.

Capital construction investment during the year was 6.404 billion yuan, up 10.7 percent; investment in updating and upgrading equipment 3.565 billion yuan, up 15.3 percent; investment in real estate 1.43 billion yuan, up 97.2 percent; collective and individual investments in urban and rural areas and all other fixed-asset investments 5.218 billion yuan, up 16.1 percent. In terms of different industries, 1.038 billion yuan were invested in agriculture, forestry, animal husbandry, fisheries, and water conservancy projects, up 13.5 percent,

while 1.937 billion yuan were invested in transportation, postal and telecommunications services, up 38.5 percent.

In 1995, the province had 4,564 projects under construction. The total cost of these projects was 44.881 billion yuan. Among them, 2,229 projects were started in the year with a total cost of 4.556 billion yuan. A total of 2,379 projects were completed and put into operation, adding an additional 12.449 billion yuan to the province's fixed assets. Of the projects under construction, 23 were large- and medium-scale capital construction with a total investment of 3.037 billion yuan. Two large- and medium-scale capital construction projects were already completed and went into operation. There were 31 extrabudgetary technological-updating and upgrading projects. The total investment of these projects was 775 million yuan, and three of them were already completed and went into operation. Key projects totally or partially completed and put into operation were: Dongfeng Hydropower Station (510,000 kw), Puding Hydropower Station (75,000 kw), Panxian-Puding No. 2 power transmission line (160 km), Dongfeng-Zhanjie 31-km power transmission line, Dongfeng-Guiyang No. 1 power transmission line (61 km), western Tongren power grid (264 km), expansion of Jichang Transformer Station (180,000 KVA), expansion of Yuping Transformer Station (90,000 KVA), expansion of Guiyang Southern Suburb Transformer Station (120,000 KVA), expansion of Zhanjie Transformer Station in Qingzhen (120,000 KVA), expansion of Guiyang Power Plant (200,000 kw), finishing phase of the gear-box project at the Southwest Hydrogen Plant of Liyang Company, and the technological upgrading project of Changzheng Electric Equipment Company in Zunyi during the Eighth Five-Year Plan period.

In 1995, 74.9 percent of the investment in fixed assets were put to use, 52.1 percent of the construction projects went into operation, and 41.1 percent of the housing projects were completed. Newly added production capacity included predominantly: 300,000 tons of coal, 408,000 kw of electric power, 651 km of power transmission lines (110,000 V and above), 640,000 KVA of power transformers (110,000 V and above), 174,000 tons of cement, 10,000 tons of beer, 180,000 boxes of cigarettes, 69,000 tons of chemical fertilizers, 244 km of new highways, 148 km of rebuilt highways, 1,099 km of extended long-distance cables, 120,700 channels at downtown automatic telephone switchboards, 22,768 lines at long-distance automatic telephone exchanges, and 113,200 tons of tap water supplied per day to urban areas.

During the Eighth Five-Year Plan period, the cumulative amount of fixed-asset investment in the province was

55.068 billion yuan, 2.5 times the amount of the Seventh Five-Year Plan period. The average rate of annual increase in such investment during these five years was 26.5 percent, or 16.9 percentage points faster than the rate for the previous five years. The rate of fixed-asset investment rose from the previous 21.7 percent to 24.9 percent. Fixed-asset investment made by state-owned units amounted to 38.665 billion yuan, 2.5 times the amount for the Seventh Five-Year Plan period and averaging an annual increase of 24.7 percent; investment by urban and rural collective units 3.54 billion yuan, 2.7 times the amount for the previous period and averaging an annual increase of 42.8 percent; and investment by individuals in urban and rural areas 11.57 billion yuan, 2.2 times the amount for the previous period and averaging an annual increase of 20.8 percent. During these five years, 12,818 construction projects above the city and town levels were completed and went into operation, the new fixed assets created by these projects amounted to 41.573 billion yuan.

IV. Transportation, Posts, and Telecommunications

In 1995, the province's transportation, postal, and telecommunications industries scored a total added value of 1.952 billion yuan, up 8.6 percent above the preceding year. At the year end, the province had 32,500 km of highways, including 12,700 km of medium-class highways. The total volume of cargo transportation for the year was 157 million tons, an increase of 9 percent compared with the preceding year. Converted in the standard way, the passengers and freight handled by railways added up to a total of 34.83 billion ton-km, an increase of 1.2 percent.

The volumes of transportation by various means were as follows:

	1995	Increase Over 1994 (%)
Volume of freight transport	32.122 billion ton-km	3.2
Railway	25.49 billion ton-km	0.6
Highway	6.276 billion ton-km	17.6
Waterway	356 million ton-km	-21.4
Airway	380,000 ton-km	120
Volume of passenger transport	24.148 billion person-km	3.5
Railway	9.34 billion person-km	2.8

	1995	Increase Over 1994 (%)
Highway	14.656 billion person-km	3.6
Waterway	55 million person-km	19.6
Airway	97 million person-km	150

In 1995, the total business volume of the postal and telecommunications sector was 632 million yuan (based on the 1990 price standard), up 50.3 percent above the preceding year. Postal routes totaled 48,200 km, exceeding the preceding year by 1,500 km. There were 7,961 long-distance telecommunications lines, an increase of 2,786 lines, and 2,067 km of optical-fiber communications cables, an increase of 1,468 km. Thirty-nine percent of long-distance communications were digitalized, an increase of 30.3 percentage points. At the year end, the province's telephone exchanges had a total capacity of 580,900 channels. Of these, 544,700 channels were program controlled, an increase of 253,900 channels. Program-controlled telephones were available in 90 percent of the counties (cities and districts). The number of telephones in the province reached 404,500 at the year end, an increase of 37.4 percent. There were 141,200 radio pager users and 14,088 cellular phone users, up 1.5 and 1.4 times respectively. In cities, the popularity rate of telephones was 6.1 percent, up 1.8 percentage points.

During the Eighth Five-Year Plan period, the volumes of freight and passenger transportation increased each year at an average rate of 7.4 percent and 8.5 percent respectively. The 1995 total business volume of the postal and telecommunications sector was 3.7 times more than the volume registered in 1990, averaging an annual growth of 36.1 percent. Three new optical-fiber cables, i.e., Gui-Xing, Nan-Kun, and Hang-(Fu)-Gui-Cheng lines, were put into operation, and direct-dialing international calls could be made to some countries and regions in the world.

V. Domestic Market and Prices

In 1995, wholesale and retail businesses purchased 28.4 billion yuan worth of commodities from outside the province, showing a 28.4 percent rise above the preceding year's record. Total sales of commodities amounted to 32.896 billion yuan, up 25.7 percent. Stocks of commodities at the year end totaled 7.025 billion yuan, an increase of 5.3 percent.

In 1995, the province's retail sales of consumer goods were 20 billion yuan, exceeding the preceding year's record by 25.4 percent. Of this, retail sales of consumer goods by the state-owned economic sector were 6.149 billion yuan, up 22.8 percent, while those by nonstate-owned sectors, including collective, private, individually owned, and jointly owned businesses, were 13.86 billion yuan, up 26.6 percent. Nonstate-owned sectors' sales grew faster than the state-owned sector's by 3.8 percentage points, and the former's proportion in the total retail sales of consumer goods went up by 0.6 percentage points. Both urban and rural markets were brisk. Retail sales of consumer goods on urban markets were 10.2 billion yuan, an increase of 31.8 percent. On rural markets, such sales were 9.8 billion yuan, up 19.5 percent.

Of 1995's retail sales of consumer goods, foods accounted for 9.16 billion yuan, 24.6 percent more than the preceding year; clothes 3.88 billion yuan, up 20.1 percent; and daily necessities 6.96 billion yuan, an increase of 30.8 percent. The ratio among these three categories changed from the preceding year's 46.2:20.3; 33.5 to 45.8; 19.4:34.8. Sales of means of agricultural production were 2.44 billion yuan, 39.4 percent more than the preceding year.

As of the end of 1995, the province had 2,749 commodity markets, of which 337 were located in cities and 2,412 in the countryside. Markets with a trade volume of 100 million yuan or more included nine wholesale markets for farm produce and sideline products, two wholesale markets for manufactured goods for daily use, and one general wholesale market. The total volume of country fair trade during the year reached 14.12 billion yuan, up 50.4 percent from the preceding year.

The year 1995 saw a 17.2 percent rise in the general retail price level and a 21.4 percent rise in the consumer price level. These rates of price hikes were lower than those of the preceding year by 2.3 and 1.4 percentage points respectively.

Rates of price hikes over 1994 (%)

1. Retail price	17.2
Of which: City	15.2
Countryside	20.1
2. Consumer price	21.4
Of which: City	19.5
Countryside	24.7
Of which: Food	29.4

1. Retail price	17.2
Of which: Grain	34.8
Clothes	13.6
Household appliances and goods	8.6
Medical and health care	12.0
Transportation and communications	1.6
Entertainment, education, and stationery	10.1
Housing	7.4
Services	19.1
3. Prices of means of agricultural production	35.7
4. Government purchase prices of farm produce and sideline products	29.7
5. Ex-factory prices of industrial products	14.6
Of which: Means of production	14.9
Means of livelihood	13.5
Purchase prices for raw materials, fuels, and power	14.0

At the end of the Eighth Five-Year Plan period, the province's total retail sales of consumer goods increased 1.3 times compared with the figure at the end of the Seventh Five-Year Plan period. The amount showed an average annual rise of 18.4 percent, higher than the records for the Seventh and Sixth Five-Year Plan periods by 7.4 and 4.7 percentage points respectively. Nonstate-owned economic sector's retail sales of consumer goods increased at an average 21.2 percent each year. This rate was 8 percentage points higher than that for the state-owned economic sector. In the total retail sales of consumer goods, the share of the nonstate-owned economic sector increased 7.7 percentage points compared with the Seventh Five-Year Plan period. During the Eighth Five-Year Plan period, the province's general retail commodity price level rose 12.3 percent annually, 2.2 percentage points faster than the rate for the previous five years.

VI. Foreign Economic Relations and Domestic Cooperation

In 1995, the province's foreign trade totaled \$680 million, up 25.9 percent from the preceding year. Of this, exports amounted to \$430 million, up 13.6

percent, and imports \$250 million, an increase of 53.7 percent. As of the year end, the province had established economic and trade relations with close to 90 countries and regions in the world.

In 1995, the province signed 113 agreements on utilizing capital from overseas, totaling \$179 million—a 49.4 percent rise over the preceding year. The amount of overseas capital actually used during the year was \$96.37 million, surpassing the preceding year's amount by 51.5 percent.

As of 1995, the province had built eight national-level and 24 provincial-level scenic spots. There were 32 hostels and hotels for receiving foreign tourists. Twenty-nine of the hostels were of the star class. They consisted of two three-star hostels, 18 two-star, and nine one-star. In 1995, the province received 136,500 foreigners, overseas Chinese, and compatriots from Hong Kong, Macao, and Taiwan, who came to Guizhou for sightseeing, visits, business, or other activities. This number was 13 percent more than the preceding year. Among them, foreign nationals numbered 77,800, an increase of 2.2 percent; overseas Chinese 1,400, down 10.9 percent; and Hong Kong, Macao, and Taiwan compatriots 57,200, up 32.8 percent. Foreign exchange earned by the tourist industry amounted to \$28.9793 million, 38 percent more than the preceding year.

The total import and export volume for the entire period of the Eighth Five-Year Plan was \$2.173 billion, 1.75 times more than the record for the Seventh Five-Year Plan period. During these five years, the average annual increase in the import and export volume was 25.7 percent. The annual increase in exports averaged 23 percent, and imports 31.5 percent. The cumulative trade surplus was \$761 million, showing an average 15.1 percent growth each year. The amount of overseas capital utilized in the province total \$293 million; the amount increased each year at an average rate of 26.4 percent. During these five years, the province received 473,500 foreigners, overseas Chinese, and compatriots from Hong Kong, Macao, and Taiwan. This was 430,000 more than the number for the Seventh Five-Year Plan period, and the average annual increase was 41.5 percent. Foreign exchange earned through tourism totaled \$70.5 million, 8.8 times more than the record registered for the preceding five years. The amount showed an increase each year at an average rate of 57.9 percent.

In 1995, there were 200 cooperative projects with partners outside the province. Capital totaling 350 million yuan was introduced from outside the province, while the number of technical projects introduced from outside the province reached 100, or 1.3 times more than

the number in the preceding year. Goods transported into and out of the province through cooperation with outside units amounted to 800 million yuan.

VII. Finance and Insurance

At the end of 1995, financial institutions in the province had a deposit balance of 47.821 billion yuan. This was 11.642 billion yuan more than the figure at the beginning of the year. Of this increase in deposits, savings deposits made by urban and rural people accounted for 58.1 percent. Loans outstanding at the year end totaled 51.341 billion yuan, surpassing the figure at the beginning of the year by 9.323 billion yuan. At the end of the Eighth Five-Year Plan period, the balance of deposits held by financial institutions showed an increase of 33.4 billion yuan, compared with the amount at the end of the previous Five-Year Plan period. As for outstanding loans, the increase was 36 billion yuan.

In 1995, the insurance industry had a total insured value of 75.05 billion yuan. The premium income was 543 million yuan, or 21.8 percent more than the preceding year. Claims paid amounted to 232 million yuan, up 6.3 percent. The rate of indemnity was 42.8 percent. Of the claims paid, 186 million yuan were indemnity for property damage and 36 million yuan for personal injuries. Among the clients of property insurance, there were 3,456 enterprises and institutions and 1.2856 million families. In addition, 3.4889 million people had personal insurance, including old-age insurance for 9,980 people.

VIII. Science, Education, Culture, Public Health, and Sports

As of the end of 1995, the province had 145 independent scientific research institutes at and above the county level. The three kinds of expenses for science and technology plus spending for operating science institutes totaled 131 million yuan, up 10.1 percent from the preceding year. Four research projects won second- and third- class national science and technology awards. Another 105 projects won provincial science and technology awards, including 15 second- class, 38 third-class, and 52 fourth-class awards. The number of private enterprises in the field of science and technology increased to 846. During the Eighth Five-Year Plan period, the province scored fruitful results in 934 major research projects and developed 1,718 new products. Compared with the past, progress in science and technology made greater contributions to the province's economic growth.

In 1995, the province had 64 institutions for training graduate students, including two for training doctors and 62 for training masters. That year 91 new graduate students were enrolled. There were 277 graduate students

studying in various institutions, and 71 finished their study and left the schools. Meanwhile, institutions of higher learning enrolled 11,438 new students for regular and special college courses. A total of 34,676 students were studying at college, and 8,975 students were graduated.

In 1995, higher educational institutions for adults enrolled 9,686 new students for regular and special courses. The number of students studying at such institutions reached 24,214, while 6,064 students were graduated. Additionally, there were 62,530 adults studying in secondary vocational schools. A total of 171,300 people took the examinations held for those who gained an education through self-study. Through an combating illiteracy program, 347,000 illiterates were able to read and write.

In 1995, secondary vocational schools enrolled 28,309 new students. These schools had 72,919 students and 19,856 graduates. As to regular high schools, 132,100 students were studying at school, and 37,800 were graduated.

In 1995, the province had 4.7534 million students studying in elementary schools. Of school-age children, 96.04 percent were going to school. The rate was 0.93 percentage points higher than the preceding year. The dropout rate among elementary school students was 4.85 percent, down 1.79 percentage points. Regular junior high schools had 952,100 students and 254,400 graduates, and the dropout rate was 6.19 percent, down 0.68 percentage points from the preceding year. For the nine-year compulsory education, the popularity rate was 3.49 percent, up 2.33 percentage points. The province had 1,368 kindergartens with a total enrollment of 408,500.

During the Eighth Five-Year Plan period, the percentage of school-age children going to school was higher than that for the previous five years by 4.7 percentage points. Meanwhile, 86 percent of the counties popularized elementary compulsory education. During these five years, the province wiped out 1.33 million illiterates among young and middle-aged people. In the higher-education sector, it established 131 urgently needed specialty courses.

As of the 1995 year end, the province had 1,128 institutes for cultural activities, 15 theaters for professional performances, 32 troupes, 85 cultural halls, eight public art halls, and 86 public libraries with 6.14 million books. There were four museums and 11 short- and medium-wave radio transmitting and relay stations. Of the population, 61.6 percent could listen to radio broadcasts. In addition, there were nine TV stations and 1,919 TV transmitting and relay stations, and 72.5 percent of the

population could watch TV. The province had 685 titles of books, magazines, and papers, while 119.01 million copies of books and magazines were on sale, and 193.81 million copies of papers were in circulation.

At the end of 1995, the province had 3,934 medical and health institutions, including 1,692 hospitals and 1,518 out-patient clinics (medical centers). The hospitals had 54,500 beds. There were 105,149 medical, health, and technical personnel. Among them, 4,452 were doctors of traditional medicine, 22,945 doctors of western medicine, 11,353 senior nurses, and 8,171 nurses. In 1995, the province's athletes won prizes in 80 events in major sports contests at home and abroad. They won 11 gold medals, seven silver medals, and 10 bronze medals. At world sports meets, they won one each of third, fourth, and fifth prizes. They won three first prizes, one second prize, and one third prize in the Asian Games; seven first prizes, five second prizes, and nine third prizes in the National Games; one first prize and one second prize in the World College Students Games; four gold medals, one silver medal, and three bronze medals at the Third National Games for Cities; and two gold medals and two silver medals at the Fifth National Traditional Sports Contests for Minority Nationalities. One athlete from this province met the criterion for a top-notch international sportsman. A total of 823 sports meets at and above the county level were held, with 152,000 athletes taking part. Meanwhile, 1.52 million people in the province met the national physical training standard. Among them, 150,000 attained the outstanding level.

IX. Population, People's Life, and Environmental Protection

A quick sample survey covering 1 percent of the province's population shows that the 1995 birth rate was 21.86 per thousand and death rate 7.6 per thousand, resulting in a natural population growth rate of 14.26 per thousand. Based on this, the province's population at the 1995 year end is estimated at 35.088 million, exceeding that at the end of the preceding year by 496,700. During the Eighth Five-Year Plan period, the population showed a net increase of 2.4 million, which was 560,000 less than the net growth registered for the previous five years.

According to another sample survey, which covered the incomes and expenditures of urban and rural families, the annual per-capita income of urban residents that could be used for living expenses averaged 3,426.7 yuan in 1995. This showed a 22.2 percent rise over the preceding year, or a real growth of 2.3 percent, allowing for inflation. Consumer spending was 3,250.55 yuan per capita, an increase of 28.4 percent. A rather big

growth is noted in the expenses for food, medical and health care, transportation and communications, as well as recreation, cultural activities, education, and other services, their rates of growth being 29.5, 29.9, 61, and 33.3 percent respectively. Meanwhile, there was a rise in wages. The total amount of wages disbursed was 9.479 billion yuan, up 7.6 percent, while the average wages per capita was 4,156 yuan, or 286 yuan more than the preceding year. In rural areas, the average net income per capita was 1,086.62 yuan, showing a 38.1 percent growth compared with the preceding year—if inflation is taken into account, the real growth was 6.3 percent. Consumer spending of rural people averaged 930.59 yuan per capita, up 36 percent. Housing conditions improved for both urban and rural people. The average floor space for each person was 15.9 square meters in rural areas and 7.2 square meters in cities.

The following are comparisons between the 1995 and 1990 records: In rural areas, the average net income per capita increased 1.5 times; after allowing for inflation, the average annual growth was 3.4 percent. In urban areas, the average income per capita that could be used for living expenses increased 1.8 times; after allowing for inflation, the average annual growth was 8.1 percent. As far as living conditions are concerned, the per-capita floor space in rural areas increased 2.1 square meters. The numbers of black-and-white TV sets, color TV sets, and radio-tape recorders per 100 rural households went up by 27, 1.8, and 9 respectively. The rural people's consumption of meat increased 3.1 kg per capita. In cities, the housing space for each person increased 0.9 square meter, while the average per-capita spending for durable consumer goods increased 80.4 percent. The consumption of meat, poultry, fish, and eggs per urban resident increased 5.6 kg.

In 1995, the province had 36 social welfare institutes with 1,619 beds. The inmates staying in these institutes numbered 766. Throughout the province, 2.6344 million people received relief funds from the state. There were 926 urban and rural old folks' homes with 6,670 inmates. One percent of the villages and towns established social security networks. In cities and towns, there were 1,927 community service facilities of one kind or another, an increase of 321 over the preceding year.

At the end of 1995, the province had 2.2809 million working people. Among them, 379,000 were employed by state-owned units under the labor contract system. This was 15,300 more than the number in the preceding years. The year 1995 witnessed 118,000 people provided with jobs, 238,000 people in cities and towns working on their own as self-employed workers, and another 52,000 people working with private enterprises.

As many as 785,000 employees were covered by the unified social insurance.

At the end of 1995, environmental protection departments in the province had 1,363 employees, including 162 engaged in environmental science research. In 1995, 11 research projects achieved fruitful results, and four of them won awards. The province had 29 natural reserves, totaling 289,700 hectares, or 1.6 percent of the land area in the province. There were 24 soot-control areas covering 752,200 square km. Three plants were established for processing coal into a form suitable for industrial use. Twenty-two projects to eliminate pollution sources were completed on or before the prescribed time, the funds spent for these projects amounting to 3.197 million yuan. For the purpose of environmental protection, 275 factories were ordered to close down, stop their operations, merge with others, or switch to other lines of production, while another five factories were ordered to change their locations. Meanwhile, the province promulgated four local laws and 29 administrative statutes for the protection of environment.

Footnotes

1. Data contained in this communique are preliminary statistical figures.
2. Figures of GDP, added value, and sales of output in value terms are based on current prices, while growth rates are calculated at comparable prices.

PRC: Tibet's Economy Viewed as 'Stable' First Half of Year

OW2407135896 Beijing XINHUA Domestic Service
in Chinese 0921 GMT 17 Jul 96

[By reporter Gamaduoji (1427 3854 1122 0679) and Luobuciren (5012 1580 2945 0088)]

[FBIS Translated Text] Lhasa, 17 Jul (XINHUA)—During the first half of this year, Tibet further deepened reform, opened up wider, and quickened the pace of establishing a socialist market economy. The region's overall economic performance was stable, the margin of price increases continued to fall steadily, and the macroeconomic environment improved gradually.

During the first half of this year, Tibet continued to regard deepening enterprise reform as its central task. It accelerated the transformation of the operating mechanisms of industrial enterprises owned by the people and concentrated its funds and energies on the technological upgrading of Lhasa Beer Limited Company and other key enterprises. Consumer goods were in ample supply throughout the autonomous region, urban and rural

markets flourished, and the supply of major commodities that have a bearing on the regional economy and the people's livelihood was guaranteed. Thanks to the establishment of a reserve system for major commodities, we stockpiled some quantities of grain, ethnic tea, sugar, meat, and butter. This has improved the government's ability to regulate and control the market. For the first time in three years, the margin of price increases fell steadily to below 10 percent.

Regionwide, the farming and animal husbandry sectors developed steadily. All localities intensified their efforts to promote science and technology and develop agriculture in an all-around way through diverse means, such as raising their own funds, obtaining loans, and relying on the masses to increase labor input. They also incorporated the construction of water conservancy works and farmland capital construction projects, as well as the labor input system, into comprehensive agricultural development, reaping marked economic and social benefits as a result. This year, the autonomous region transformed 239,000 mu of low- and medium-yield fields, and restored and repaired 63,700 mu of terraced fields. The broad masses of cadres and people did all they could to fight natural disasters and protect their livestock, and provided for and helped themselves by engaging in production in the face of successive snow disasters that hit the southern and northern areas early this year, thereby reducing the losses inflicted on animal husbandry by natural disasters.

The total industrial output value in the first half of this year was 253 million yuan, a 11.5-percent increase over the same period last year. The output of electricity, timber, cement, and chromium ore registered increases over the same period last year. Total postal and telecommunications business volume continued to increase substantially following the expansion of postal and telecommunications business and the introduction of new types of service. Of the 3.1 billion yuan in total fixed-asset investment, 1.033 billion yuan, or 33.3 percent of the annual plan, is expected to be completed. The first stage of the project to repair the Qinghai-Tibet Highway will soon be completed. The project to reconstruct the Sichuan-Tibet and Sino-Nepalese Highways proceeded smoothly. We are stepping up the construction of follow-up projects to the 62 projects launched with the support of the state and other provinces and municipalities. New progress was also made in foreign trade, tourism, and other undertakings.

***PRC: Yunnan Provincial Governor He Zhiqiang on Corruption**

96CM0355A Kunming YUNNAN RIBAO in Chinese
30 Mar 96 p 1

[News report by reporter Du Minsheng (2629 2404 3932): "He Zhiqiang Stresses at the Provincial Discipline-Inspection Commission's Second Plenum: Wage an In-Depth and Sustained Struggle Against Corruption as a Basic Task in Consolidating Our Political Power"]

[FBIS Translated Text] We should wage an in-depth and sustained struggle against corruption as a basic task in consolidating our political power and a significant guarantee for the fulfillment of our province's Ninth Five-Year Plan and long-range objectives to the year 2010, stressed He Zhiqiang, deputy secretary of the provincial party committee and governor, at yesterday morning's second plenary session of the provincial discipline-inspection commission. The leadership at all levels, he said, should earnestly take on the responsibility for this work in a bid to win new success this year.

The session held yesterday morning was presided over by Sun Gan, secretary of the provincial discipline-inspection commission.

Also present at the session were Li Shuji, Zhao Shumin, Liang Gongqing, Li Linge, and other leading comrades.

After recounting our province's brilliant achievements in reform, opening-up, and economic development during the Eighth Five-Year Plan period, He Zhiqiang said: Over the past year, the discipline-inspection and supervision work in our province has proceeded under the provincial party committee's centralized leadership. We have insisted that both the party committee and government should pay attention to and take care of this work. In carrying out the work, we have seriously complied with the guidelines set at the Fifth Plenary Session of the CPC Central Discipline-Inspection Commission and the Third Anticorruption Meeting of the State Council, while taking into consideration the actual situation in Yunnan. The efforts we have spent in the three areas of party-style rectification, clean-politics construction, and anticorruption struggle have all achieved remarkable results. Last year the provincial government held four joint work meetings on fighting corruption and rectifying party style. An anticorruption plan was mapped out, and a responsibility system for fighting corruption and rectifying party style was instituted in some departments and units. Through these arrangements, the tasks of fighting corruption, rectifying party style, and building clean politics were assigned to and fulfilled by all levels. In particular, efforts were concentrated on

correcting three unhealthy practices, namely, the "three chaotic phenomena" on highways, wanton collection of fees by primary and middle schools, and heavy burdens imposed on farmers. Additionally, serious efforts were made to solve the problem of loss of state assets and to eliminate "small treasuries." Consequently, the anticorruption work in the province has made great headway, achieved striking results, and greatly helped the development of reform, opening-up, and economic construction. However, we should be sober-minded to see that there are still very arduous tasks ahead in intensifying our party-style rectification and clean-politics construction and in carrying on the anticorruption struggle in greater depth.

He Zhiqiang went on to say: With regard to the anticorruption struggle and discipline-inspection and supervision work in our province for this year and for some time in the future, Comrade Gao Yan has given us many instructions on fundamental, long-term, and crucial issues, such as ideological education, the improvement of the legal system, and the formulation of regulations and rules, based on Yunnan's actual situation and from the viewpoint of overall interests. We should earnestly study these instructions and put them into practice.

He Zhiqiang also spoke on his opinion about the anticorruption struggle and discipline-inspection and supervision work in the days ahead: It is imperative to enhance our awareness of the importance of fighting corruption. We must have a correct thinking and a sound system as a foundation for this work. And we must see the need for punishing corruption from the perspective of the rise and fall, survival and perishing of our party and country. Here, I would like to stress several things: First, we must firmly uphold the world outlook that leading cadres should serve the people. As the saying goes, "a just official is naturally corruption-free." The world outlook of serving the people wholeheartedly is the ideological foundation for fighting corruption and building a clean and honest government. Second, we must take a correct attitude toward the gain and loss of material interests and properly exercise the power given us by the people. All units, from provincial departments to "various institutions and stations," should deem it a glory to do more good to the people and to be an incorruptible official unit. They should attach more importance to preserving the due quality and reputation of communist party members and state cadres than all illegal material interests. Third, we must adhere to democratic centralism. Whether we can persist in the principle of democratic centralism and collective leadership is a serious question of political discipline. The Fourth Plenary Session of the 14th CPC Central

Committee has decided to make promoting democratic centralism a major task in strengthening our party construction. Cadres at all levels should seriously carry out this decision, and we should include this as one of the criteria for supervising the observance of party and government discipline. Fourth, we should reinforce the supervision and restriction of power. On the one hand, our leading cadres at all levels, including those in state-owned enterprises, should esteem, examine, alert, and restrain themselves and take the initiative to put themselves under supervision. On the other hand, they should do well in administering their departments and units. Fifth, we must improve our workstyle and do down-to-earth work. We must share weal and woe with the people, strive to overcome bureaucracy, formalism, and other unhealthy practices, and wage a resolute struggle against corruption.

He Zhiqiang further stressed: We must wage an in-depth struggle against corruption as a significant guarantee for the fulfillment of our province's Ninth Five-Year Plan and long-range objectives to the year 2010. The anticorruption work should serve the needs of reform and opening-up. Discipline-inspection and supervisory departments at all levels should pay constant attention to discovering and solving corruptive problems arising in the course of reform. In light of Yunnan's actual situation, emphasis should be put on rectifying the economic order, enforcing discipline in the economic and financial fields, improving regulations and rules, and beefing up supervision and control in this connection. Moreover, our anticorruption struggle should serve the purpose of promoting unity among different nationalities and maintaining social stability in this border province. We must pay attention to and successfully solve hot issues, enhance the mass viewpoint, and be concerned about the people's well-being. And we must strengthen political and legal work, do well in making comprehensive efforts to improve public order, help our cadres to guard against corruption and become self-disciplined, and resolutely investigate and deal with cases of discipline violations so as to create a favorable and stable environment for the reform and opening-up drive.

Concluding his speech, He Zhiqiang stressed: Leading cadres at all levels should be truly responsible for fighting corruption in a bid to win new success this year. Specific tasks to be accomplished this year are as follows: First, continued efforts should be devoted to the three areas of the anticorruption struggle. Continued attention should be paid to cadres' incorruptibility and self-discipline as a major task in building a clean and honest government and to the investigation and punishment of cases of discipline violations as a breakthrough point in fighting corruption. Unhealthy practices in various de-

partments and work areas should be resolutely corrected. Second, more attention should be devoted to managing the province's administrative affairs according to law. It is necessary to use law to control the government's activities, reduce its randomness in administrative work, and strengthen the supervision and punishment of illegal conducts. In addition, we should beef up legislation regarding the government's work so that our government will have laws and rules to follow and there will be a legal protection for our in-depth struggle against corruption. We should further the supervision over the enforcement of law, especially with respect to construction projects, the lightening of farmers' burdens, and the implementation of the "State Council Regulations on Striking at Deception in Getting Tax Refunds on Exports and on Severely Punishing Law and Discipline Violations in Monetary and Financial Fields." Third, we should earnestly strengthen leadership over the anticorruption struggle, establish and make perfect a responsibility system for this work. We should persistently continue the practice that the party committee exercises centralized leadership, while both the party committee and government attend to the work. In doing this work, principal responsible persons of the party and government should be personally involved, all departments should fulfill their respective duties, and discipline-inspection commissions should take on the responsibility for organizing and coordinating the work. Above all, we should firmly rely on the masses. In sum, every effort should be exerted to make our anticorruption struggle a sustained, healthy, and intensive campaign.

***PRC: Yunnan Party Secretary on Eliminating Poverty**

96CM0354A Kunming YUNNAN RIBAO in Chinese
30 Mar 96 p 1

[Article by Gao Yan (7559 0917): "Foster New Ideas for Development, Quicken Pace in Shaking Off Poverty and Achieving Prosperity" originally carried in 28 March RENMIN RIBAO]

[FBIS Translated Text] The Fifth Plenary Session of the 14th National CPC Congress laid down the principle of "promoting a coordinated development of regional economies, and gradually narrowing the regional disparities." The state will adopt effective measures to support the underdeveloped areas in the central and western parts of the country, and help areas inhabited by people of national minorities and poverty-stricken districts shake off poverty, become prosperous and promote economic development. This kind of strategic policy decision provides Yunnan and the western region of the country a golden opportunity to develop themselves.

Since the 3d Plenary session of the 11th CPC Central Committee, the state and the province of Yunnan made a total aid-the-help investment of six billion yuan, solved the problem of food and clothing for 5 five million people in the province, and helped the people in poverty-stricken areas improve their production and living conditions. However, due to historical and natural conditions, the task of helping people in Yunnan to shake off poverty and achieve prosperity remains arduous.

I. The poverty-stricken area is vast, and there are many poor people. Among the 127 counties and cities in the province, 73 of them are national-level poor counties, accounting for 12 percent of the total number of poor counties in the country. There are more than 6.6 million poor people in the province, accounting for 10 percent of the total number of poor people in the country; and there are still 2.75 million people whose per-capita net income is below 200 yuan. All these poor people need food and money.

II. The level of poverty is relatively high. The poverty-stricken areas are usually located in border districts and in areas inhabited by minority nationalities. Most of them live in the hilly areas, halfway up hills, remote or rocky mountains. In some of the localities, the natural conditions are so poor that it is hard for people to carry out simple production. In these localities, social undertakings are not well developed, and the people not well educated. The rate of illiteracy and semi-illiteracy is high. This rate is as high as 40 percent in six counties.

III. These areas lack transportation and telecommunication facilities. In addition, natural disasters often hit these areas, and the rate of people returning to poverty remains high.

Yunnan is one of the major battlefields in the country to help the poor. Whether or not it may achieve its goal in helping the poor directly affects the state plan to eliminate poverty.

In order to win the battle to help the poor, we must, first of all, emancipate our thought, face reality, adopt a firm stand, strengthen our leadership, and carry out our work in strict accordance with the plan laid down by the central authorities. Next, we must persistently proceed from the actual situation, help the poor by assisting them to develop themselves instead of doing relief work, and adhere to the principle of "relying on one's own efforts, helping themselves by engaging in production, supporting the aid-the-poor program launched by all sectors, and achieving common prosperity." We must rely on scientific and technological progress, bring into full play the predominance of our natural resources, and quicken the pace in helping the poor to shake off

poverty. In carrying out work, we must realistically cement the following five links:

A. We must resolutely link self-reliance with state support with our emphasis on self-reliance. The state provides support and implements policies in favor of poverty-stricken areas. The activities launched by all sectors of the society to help the poor are entirely necessary and deserved. However, poverty-stricken areas, after all, must rely on their own efforts and their pioneering spirit of arduous struggle to solve the problem of food and clothing and to shake off poverty and become prosperous. Only by overcoming their thinking to wait for, rely on, and ask for help and the ideas of inertia, linking the fine tradition of arduous struggle with the contemporary idea of developing a socialist market economy, spreading the idea of supporting the poor by helping them develop themselves, and fully arousing the strong aspiration and spirit imbued in the broad masses to shake off poverty and become prosperous, will it be possible for the broad masses of cadres and people in poverty-stricken areas to change the entire outlook in such areas. For example, the Banggu Township in Xichou County is a particularly poor township inhabited by people of multiple national minorities with a karst area covering more than 90 percent of the township. For several years, the township party committee and government have led the people of all minority nationalities to give full play to the pioneering spirit of "working hard rather than enduring hardship and moving rocks rather than moving out of the area," and really created a miracle on the rocky land. A comparison between 1994 and 1998 shows that the per-capita grain output in the township rose by 56 kg, that the per-capita net income more than doubled, and that the total township revenue increased by more than 400 percent. There are roads leading to all villages, and all families there have electric power. Apparently the people are noticeably better off now. Practice proves that as long as we can link the support from the state and all sectors of the society with the people's own efforts to work hard, we will be able to shake off poverty and become prosperous.

B. We must link the elimination of poverty with the remedy of ignorance with priority given to the latter. To drive off economic poverty, we must remedy our ignorance in ideology, culture, science and technology, and education. We must free ourselves from ignorance first before we eliminate poverty, and help people educate themselves first before we can aid them in shaking off poverty. No matter whether we change the mode of economic growth or implement the strategy of invigorating the nation with science and education, the basic prerequisite is to raise the scientific and cultural qualities of the entire nation. Yunnan must continue to

increase its investment in education, strengthen its basic educational program, and build a good core primary school in each poverty-stricken township. Based on the need in various development projects, it should adopt various forms to earnestly develop rural vocational and technical education and adult schools, and achieve the goal that one able-bodied person in each poor family has acquired one or two skills. While actively promoting both state-owned economy and collective economy, we must allow and encourage the development of nonpublic economy, foster market mechanisms, and strengthen commodity circulation. Efforts must be made to support and encourage state organs, colleges and secondary technical schools and qualified and skilled people to contract development projects, run township enterprises and develop various aid-the-poor economic enterprises in poverty-stricken areas. It is necessary to produce "leading" and key products, promote technical cooperation and exchange with various departments at home and abroad, and quicken the pace in importing technologies and increasing production.

C. We must persistently link our opening policy with our program for development with the hope of using this policy to promote development. Yunnan is relatively backward in development. One of the major reasons is that it has not opened wide enough to the outside world. Right now, we need to solve the problems of insufficient funds, technologies and qualified personnel in developing natural resources and economy in poverty-stricken areas in Yunnan. To achieve this goal, we must emancipate our thought, open wider to the outside world, and try to attract more funds and technologies from other localities by offering more favorable conditions and better environment. Practice proves that it will be hard to develop anything without opening to the outside world. Our development will be limited if we open slightly to the outside world. Only by opening wide to the outside world, can we attain vast development.

D. We must persistently link regional development with our program to aid each poor household with emphasis on the latter. In helping the poor, we must increase our staying power in helping poverty-stricken areas, work out a good layout for regional economic development, and selectively develop some infrastructural facilities in communications, transportation and water conservation. Meanwhile, we must extend our economic development projects to directly cover all poor families, and integrate our economic development with the aid-the-poor program. We must regard agriculture as our initial industry, and help the poor by developing basic farming with emphasis on crop cultivation and fish and poultry breeding. Right now, the per-capita hilly land in Yunnan is more than 10 mu. The per-capita hilly land in

the poverty-stricken region is even larger. It is necessary to shift the focus of our aid-the-poor program to the vast hilly areas, become market-oriented, and vigorously develop crop cultivation, fish breeding and poultry raising, forestry and fruit growing, and build new industries such as those in food processing, animal husbandry and lumber processing. In localities where crop cultivation, fish breeding, poultry raising and processing industry are already well developed, we should link all facilities to become industrialized, carry out specialized production, strengthen enterprise management, and set up a public service system. In order to increase its staying power, Yunnan must unswervingly carry out capital construction of farmland, and resolutely develop infrastructural facilities such as water supply, electricity, and roads. At present, there are no roads leading to eight townships and 2,132 administrative villages, and there is no electric power in 30 townships and 1,806 administrative villages. Efforts must be made to increase our investment to help these areas build a comprehensive water conservation network with small water reservoirs and ponds to solve the problem of drinking water shortage for man and livestock and to supply more water in growing grain, economic crops and trees. In coordination with the state plan for the development of large and medium-sized hydraulic power stations in poverty-stricken areas, we must develop small hydraulic power stations suited to local conditions, and try to gradually solve the problem of no electric power in rural areas. We must strive to install program-control telephones in each county and ordinary telephones in every township, and basically provide telephone services to each administrative village in poverty-stricken areas within a period of two to three years.

E. We must persistently link the aid-the-poor program with our establishment of rural party basic-level organizations to help poor people shake poverty by strengthening "party building in rural areas." In order to help the poverty-stricken areas shake off poverty as soon as possible, the most fundamental way is to rely on the local party and government leadership to lead the masses to work harder than ever. "We should not only provide financial and material support, but also help the poverty-stricken areas build good party branches." Therefore, we must link the aid-the-poor program with the establishment of basic-level party organizations in rural areas, and establish a good party branch with a pioneering spirit in each poor village, and elect a hardworking leader who remains honest in performing his duties and maintains close ties with the masses.

To strengthen the "five links" and storm fortified positions in helping the poor, we must work out special policies and adopt strong measures that are suited to the lo-

cal condition. First, we must fully apply the policy of the state and the province designed for national autonomous areas, and give full play to the role of the policy in developing the local economy. Second, we must solve major problems in helping the 506 townships in especially straitened circumstances, and develop major soil amelioration, water conservation, power generation, road construction and afforestation projects. We must develop a number of major projects that are able to use the local resources in promoting the regional economic development, and build up pillar industries. In dealing with poverty-stricken townships, villages and households that are short of transport facilities and grain supplies, we must formulate a policy of fixed grain prices and fixed grain quota for marketing with the government paying the price difference. We must give preferential treatment and provide subsidies for the supply of means of production to poverty-stricken areas; supply more materials to help the poor; and readjust payments for relief grain. The financial sector must give priority and increase credit funds for the aid-the-poor program, and work out preferential policies and regulations to help the enterprises develop themselves in poverty-stricken areas.

IV. We must implement an enterprise responsibility system to help develop projects that aid the poor. Companies or enterprises that develop such projects should be held responsible for such projects. Government funds earmarked for developing such projects should be used to support those enterprises that participate in the development projects to aid the poor through low-interest loans or loans with the government paying the interest. We must link the market with peasant households through enterprises, and combine the actions taken by the government and the enterprises with the program to help peasants shake off poverty. We must establish and improve the public service system suited to the aid-the-poor program, strengthen the market system, and revitalize commodity circulation. We must set up a special aid-the-poor fund, raise funds for the development of power generation and communication projects, and energetically earn the support of the international community to help poverty-stricken areas. We must help balance the special aid-the-poor loans with subsidized interest payments, the development funds, the funds for the work-relief program and other aid-the-poor funds; and we should increase efficiency in using all available funds. Meanwhile, we must also promote family planning; control population growth, improve population quality, bring about the simultaneous development of material civilization and spiritual civilization in poverty-stricken areas; we need to promote economic and social progress in a coordinated manner.

North Region

PRC: Hebei Introduces New Labor Contract System

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[FBIS Transcribed Text] Shijiazhuang, July 25 (XINHUA) — This major manufacturing center in north China has introduced a new labor system using labor contracts in a move to develop its market economy.

Hebei Province's Vice-Governor Guo Shichang says that government at all levels has been engaged in the system reform for enterprise restructuring and to protect the rights and interests of laborers.

He said that a job placement network in major cities of the province has been established and 2,700 job placement agencies have been set up in towns, townships, counties, and cities.

In working with government departments, the agencies have provided jobs to 800,000 urban dwellers over the past five years, Guo said, pointing out that Hebei's unemployment rate has stayed at three percent since 1991.

He explained that some 4.7 million workers in state-owned or collectively-owned companies, who comprise 95 percent of the province's work force, have signed labor contracts, and 98 percent of workers in state-run companies are involved in a provincial mutual assistance old-age pension fund.

Unemployment insurance coverage has been extended from state-owned enterprises to collectively-owned businesses and private firms, he added.

***PRC: Shanxi Party Secretary on Becoming Well-Off Together**

96CM0360A Beijing DANGDAI SICHAO
[CONTEMPORARY TRENDS] in Chinese 20 Apr 96
No 2, pp 32-38

[Article by Hu Fuguo (5170 1381 0948): "Proposals to Narrow Widening Income Gaps"]

[FBIS Translated Text] Making all society well-off is the fundamental principle and essential requirement of socialism. It is also the historical mission of Chinese Communists. To get a grip on Comrade Deng Xiaoping's idea about getting well-off together and implement it more thoroughly, I organized comrades from the interested departments, prefectures, and cities in the province to conduct a sample survey on the countryside in 11 prefectures and cities. The survey lasted over a month and covered more than 100 villages of different types. All sorts of fact-finding meetings and seminars were held.

According to survey findings, the conditions are basically ripe for making everybody well-off in the countryside. Already there are some success stories in becoming well-off together in the countryside that should be reviewed and replicated. We must adhere to the CPC Central Committee's correct policy and guide peasants to take the road of becoming well-off together.

I. Conditions Basically Ripe For Making Everybody Well-Off in the Countryside

The issue of enabling everybody to become well-to-do is an important policy that is also related to the direction we should take. If we fail to tackle the issue now or if we do a poor job tackling it, it will militate against the development of productive forces and social stability and may even tarnish the image of the party and the government in the minds of the masses. There are mainly three reasons for saying that "the conditions are basically in place for highlighting and solving" this issue. First, the rural economy has developed rapidly and the economy overall has become much stronger since rural reform began. Now that the basic needs of the peasants have been met, a large number of well-to-do villages have emerged, as have many prosperous peasant households who were the first to become well-off. Their emergence has laid the material foundation for emphasizing making everybody well-off and achieving that goal. From 1978 through 1994, the per capita net income among Shanxi peasants rose from 114 yuan to 884 yuan, a 7.7-fold increase, and rural savings jumped from 330 million yuan to 25.2 billion yuan, up 76.4-fold. By late 1994, the province had 124 well-off townships and 3,102 well-off villages. As many as 50 percent of the peasant households had annual income in excess of 800 yuan. Take, for instance, the outskirts and rural counties and districts within the jurisdictions of the four prefecture-level cities: Yangquan, Jincheng, Taiyuan, and Shuozhou. Economic growth there has been rapid and the peasants as a whole have become quite well-off. In the case of Jincheng, in 1994 the agricultural and industrial output value of the rural counties and districts amounted to 10 billion yuan, the per capita income among peasants in the whole city was 1,214 yuan, and 20 percent of all townships and 27 percent of all villages have attained a comfortable standard of living. In terms of output value, the city had 49 hundred-million-yuan townships and towns, 3 hundred-million-yuan villages, 232 ten-million-yuan villages, and 5,500 half-million-yuan households. Even in Luliang Prefecture, the poorest in the whole province, the peasants' net per capita income was 715 yuan, an eight-fold increase over 1978. There were 224 specially poor villages in the prefecture, down from 2,263 in 1985. The number of specially poor households fell to 13,300 from 380,000;

and the specially poor population also dwindled from 1.03 million to 66,000. The development of rural productive forces has increased rural wealth overall and made it possible to spotlight the issue of making everybody well-off and actually achieving that goal.

Second, the gap between the rich and the poor in the countryside has widened and poverty and relative poverty continue to exist, highlighting the issue of making everybody well-off to prevent a rich-poor polarization and making it an urgent demand on the part of countless peasants. Geographically, the income gap has been widening. The income of Zhaojiabu village in Taiyuan Shi exceeds the annual income of an entire poor county. The personal income gap is getting even wider. The province boasts 334 private enterprises each with more than 1 million yuan worth of assets, yet 3.81 million people in 50 counties still do not have enough to eat or wear. In fact poor households can be found even in affluent areas. Taiyuan, Jincheng, Yangquan, and Shuozhou are some of the most prosperous places in Shanxi, but they have 82,000, 15,000, 11,500, and 74,700 poor people, respectively. In 1994, the township and town enterprises of Xiangning County had a combined output value of 1.35 billion yuan, of which 1.17 billion, or 86.7 percent, belonged to seven township and town enterprises with coal resources, with the remaining 180 million yuan, or 13.3 percent, being shared by the other nine township and town enterprises. In 1994, Taosi Town in Xiangfen County had a net income of 29.12 million yuan, 1,300 yuan per capita, on the strength of the incomes of several large households. Specifically, three households in the mining and smelting business and in coal production and trading each had revenue over 1 million yuan, eight households had revenue between 500,000 and 1 million yuan, and 67 households had revenue between 100,000 and 500,000 yuan. Among them these 78 households consisting of 351 people had revenue exceeding 17.5 million yuan, 60 percent of the entire town's income, or 50,000 yuan on a per capita basis. Among the remaining 5,322 households consisting of 22,000 people, the per capita income was only 528 yuan. The rich households' income was 94-fold that of the ordinary households. The owner of a private enterprise in the outskirts of Jincheng which is engaged in transporting and selling coal has a fleet of 65 Dongfeng trucks. Recently he invested 20 million yuan to build an oil terminal. Each of his seven sons has a house and a luxury sedan. The household's deposits cannot be less than 50 million yuan. A large household in Jiexiu Shi owns 28 enterprises worth a total of 320 million yuan. Their total output value in 1994 was 200 million yuan, equivalent to 8.3-times the total sales revenue of all township and town enterprises in Yonghe County.

Third, among the upstarts are some nasty people. They run amuck in the villages, wallowing in luxury and pleasure. They are big consumers of pornography. They also bribe the cadres, corrupt social values, exacerbate social conflicts, undermine rural stability, and tarnish the image of the party and government. What we badly need to do is to adopt a policy of making everybody well-off to guide, regulate, and regularize. After some people became rich overnight, they forgot the benefits they have received from the government's "make-the-people-well-off" policy and the support the government and collective have given them. They turn their backs on the elders and fellow villagers. Money-worship, individualism, and hedonism are rampant among these people. They use their wealth to bribe cadres at all levels in hopes of drawing the latter over to their side. They take possession of state resources without paying for them. They evade taxes and do business in violation of the rules. Some even indulge in pornography. Some people spend large sums to build luxurious residences, swap wives, and take concubines, wallowing in debauchery and spending money like water. Many an upstart keeps wolfhounds, hires bodyguards, purchases weapons, bullies the ordinary people, and rides roughshod over his employees. A self-employed individual in Taitou village, Xiangning County, who owns a coal mine, boasts an arsenal at home consisting of double-barrel hunting rifles, tear gas grenades, electric police batons, etc. The masses look askance at his activities. Some upstarts have bought their way into the party by bribing government cadres and become village, even township, cadres. They exercise the powers of the village CPC committee and control the local economic lifeblood. Not only have they infringed upon the interests of their fellow villagers, but they have also tarnished the government's reputation. In some places, moreover, the collective economy is very weak and organs of state power at the grass-roots level are in a state of paralysis. Like the clay idol fording a river, village cadres have had to find jobs working for individual or private enterprises. In those jurisdictions even collective welfare undertakings have to rely on handouts from these large households. No wonder the masses there say, "Can't depend on the collective. Better go with a 10,000-yuan household." The widening gap between the rich and the poor has intensified the social destabilizing factor. There have been four incidents in Taosi town in Xiangfen County in which a large household was the target of an explosion. Somebody kidnapped the son of one large householder and demanded the payment of a 10,000 yuan ransom within one month. When the householder failed to make the payment by the deadline, his son was killed. The deepening hostility between the majority of poorer people

and the minority of rich people foreshadows polarization in the countryside. We cannot but have to take note.

Fourth, some cadres fail to fully or accurately understand Comrade Deng Xiaoping's idea of "helping everybody become well-off together." There are all sorts of misinterpretations regarding the relations between becoming well-off first and becoming well-off together. Some correct guidance and clarification is in order here. Some cadres do not think that an excessive rich-poor gap exists these days and compare calls for making everybody well-off to shooting without a target. Other comrades argue that in relatively backward provinces like Shanxi, the case for making everybody well-off is even less compelling. Yet others suggest that calls for making everybody well-off would hurt the development of productive forces. Because of such erroneous understanding, there has appeared a number of unhealthy trends in practical work that we should keep a watchful eye on: 1) Aiding the rich rather than the poor, helping the individual rather than the collective. According to statistics, over 60 percent of the poverty-relief funds do not end up in the hands of the ordinary peasant households. What limited funds there are mostly are spent by the non-agricultural sector and large households. 2) Some localities "build up" the large households to embellish their record. Administrative methods are used to give special favors to a handful of people in the distribution of mining resources, land, bank loans, and materials, and in taxes in order to nurture and develop large households. The masses complain that some of our leading cadres "go to the countryside to see the large households, invite them to attend meetings, pick them to join the party, select cadres from among large householders, and when they have money to dispense, give it to large households." The "CPC's cadres have grown a pair of phoenix eyes and associate themselves only with the rich."

II. Some Success Stories In Helping Everybody Become Well-Off Together

With the above-mentioned problems in mind, Shanxi Province in recent years has firmly held high the two banners of reform and openness and arduous struggle by revolving around the focus of economic construction. While encouraging some prefectures and some individuals to get rich ahead of others through hard work, the province has never stopped working to accelerate the development of the entire rural economy and finding new ways in line with local conditions to make everybody well off. As a result, it has come up with some experiences and practices of which we would do well to make use.

1) Consolidate and strengthen the collective economy. Establish a social security system. Intensify the drive to make everybody well-off together. The collective economy in the rural community of Yangquan Shi has been developing rapidly and maintained its leadership among a host of other economies. By late 1994, the city's rural social output value reached 7.72 billion yuan, a 26-fold increase over 1978, of which 54.7 percent belonged to the rural collective sector; and rural production fixed assets amounted to 4.3 billion yuan, a 25.5-fold increase over 1978, of which the rural collective sector accounted for 85.7 percent. Citywide the peasants' per capita net income was 1,224 yuan in 1994, the highest in the province. One hundred and thirty thousand households consisting of 474,000 people, 58.4 percent of the total number of peasant households in the city and 78.8 percent of its agricultural population, respectively, had a net income over 1,000 yuan. The city's entire handicapped population has basically been taken care of. Among the city's "five-guarantee" households, a high 87.9 percent have been provided for. City-wide, 129 villages have adopted a peasant retirement system and 79.7 percent of the villages and 43.9 percent of the city's rural labor force, most of them from the collective sector, have joined the rural social pension insurance program. Zhaojiabu village in Taiyuan Shi, Qiaoli and Guanzhuang villages in Linfen, Xiaozhuang village in Jincheng Shi, and Shangzhangjiafen village in Datong have all succeeded in making everybody well-off by developing and strengthening the collective economy.

2) Nurture new lead industries, establish and perfect a rural socialized service system, and expand the scope of lead industries steadily to benefit myriad households and make everybody well-off in the midst of developing the market economy. Putting its geographical and climatic advantages to good use and seizing the opportunity provided by the adjustment of the industrial structure, Yuncheng Prefecture went all out to develop orchards, vegetable growing, animal husbandry, and other new lead industries while keeping cotton and wheat output stable. Economic forests in the prefecture increased to 4 million mu. Of the 950,000 peasant households in the prefecture, 350,000 were engaged in fruit growing, 100,000 were factory hands or in business, 50,000 households grew vegetables, and another 50,000 were in the aquatics industry. Of all peasant households, 58 percent had joined a lead industry and found a steady way to acquire wealth. Following the philosophy of "developing a lead industry, building a base, joining forces with peasant households, entering the market, and pursuing a comparatively well-off standard of living," Shouzhou Shi has built 44 lead enterprises broad in scope and centered on such mainstay industries as the growing of sugar beets and fruit, the raising of milk

cows, and the cultivation of minor food grains other than wheat and rice. Their revenue in 1994 was 350 million yuan. Luliang Prefecture focused its aid-for-the-poor work on fostering prefectural lead industries. In 1994 the 101 townships and towns and 2,217 villages along Huang He produced 81.25 million kilograms of dates, which alone generated a per capita net income of 237 yuan. Jinzhong Prefecture adopted anti-poverty Project 284 under which 284 especially poor villages whose per capita net income was less than 300 yuan were encouraged to raise cows, sheep, and pigs. In 1994, the per capita net income in these villages rose to 586 yuan, 323 yuan more than the preceding year. Kelan County made sheep-raising its lead industry; 305,000 heads were raised county-wide, or 18.5 heads per household, which worked out to be 4.8 heads per capita. Peasants derived 55 percent of their annual income from sheep-raising, or 350 yuan per capita.

3) A major effort has been made to develop the shareholding cooperative economy and nurture new growth points in rural productive forces and new meeting points where those who are the first to become well-off can help along those who are slower to get rich. The shareholding cooperative system in Shanxi experienced development of a breakthrough nature last year. By year end, there were 47,000 shareholding cooperative enterprises in the whole province, with 401,600 shareholders who had paid a total of 8.713 billion yuan to buy shares, including 3.93 billion yuan in cash. Over a two-year period, Xinjiang County invested 23 million yuan to complete construction on the 27-kilometer Xi(jiang)-Xiang(ning) highway and 36 million yuan to build a 550-kilometer three-tier road linking the county with townships and villages, both through the shareholding system. Between them, eight rich households jointly invested 12 million yuan to build the Fenhe bridge. The whole county invested 30 million yuan, again using the shareholding format, to build 10 large specialized markets. With village cadres taking the lead, Zhongxing village in Xiangfen County built a thermos plant. Rich households spent money to buy shares in the plant while poor households contributed their sweat equity. In all 3.56 million yuan was paid for shares. Within four years, 150 poor households earned over 2 million yuan in dividends, or 13,000 yuan per household.

4) Make use of the central city as the point of diffusion. Use the city to lead the countryside. Have the city and the countryside complement each other to expedite the process whereby everybody becomes well-off. In Datong, the city party committee and city government put forward the "four-diffusion-and-connection" development strategy consisting of urban-rural connection,

industry-industry connection, science and technology [S&T] connection, and funding connection. The number of pairings or couplings between large and medium-sized enterprises, on the one hand, and counties, townships, and villages, on the other, exceeds 100, disseminating 24 million yuan through 46 projects to the agricultural counties and districts. To ensure the availability of supplies in the city and increase peasant earnings, Taiyuan Shi has intensified the dissemination of S&T to agriculture and township and town enterprises, set up 10 S&T demonstration zones, popularized 20 pieces of advanced technology, and nurtured 28 enterprise groups, 20 specialized markets, 21 small industrial zones, and 80 10-million-yuan enterprises. As a result, the development of a high-efficiency outskirts type of agriculture and township and town enterprises was expedited and the pace of becoming well-off together was quickened.

5) The "help-and-lead" strategy—people who have become well-to-do ahead of others helping those not as rich to do the same and society helping the poor—has been implemented. The city party committee and city government of Jincheng formulated a "help-and-lead" strategy based on the fact that developed townships and towns and their economically underdeveloped counterparts each account for one-third of all townships and towns in the city. One part of the strategy was to guide public opinion. Education in responsibilities and obligations was conducted in the villages and among individuals who had already become rich. With the party making a demand and society advocating the idea, the notion of becoming well-off together took hold. The second part of the strategy was the use of administrative action to pair the rich with the poor. In the outskirts, 13 100-million-yuan townships and towns were paired with 13 of their less developed counterparts. As a result of such pairing, 313 new enterprises were built with a total investment of 140 million yuan. The third part was intensifying macro regulation and control and improving the infrastructure in poor villages through investment. Right now there are 1,600 linkages and contact points in the entire city between the rich and the poor, which has helped 245 villages achieve a comparatively well-off standard of living and another 1,080 villages escape poverty. Other cities like Yangquan, Shuozhou, and Taiyuan have all launched help-and-lead activities in the outskirts of towns and in industrial and mining areas, which have fueled rural economic development and helped peasants become well-off. Such activities have won the whole-hearted support of the masses.

6) CPC members take the lead in leading and helping the masses to become well-off, thereby reinforcing rural party organizations' appeal for the masses and their coalescing power. Lu Yongjie [7773 5391 2638], party

branch secretary in Fengbi village, Yicheng County, did not forget his fellow villagers even after he became well-off. So far he has spent 8 million yuan to build schools, construct roads, and drill wells in the village, and have it electrified. He reorganized the enterprises he founded earlier by adopting the shareholding cooperative system and invited 500 peasant households in the village to buy shares in them, thereby increasing the masses' incomes. After he became party branch secretary, he devoted all his thoughts to collective undertakings. All seven collective enterprises turned a profit. The village's gross value of agricultural and industrial output in 1994 exceeded 100 million yuan and the per capita net income was 4,000 yuan. Everywhere you can find some party members setting a good example by helping the masses become rich. In Shuozhou and Jincheng, for instance, party members were paired with poor households to conduct one-person-helping-another activities. The results have been very successful. Party-masses relations have improved and party organizations' appeal and centripetal pull have been enhanced.

7) Large numbers of departmental cadres were selected and sent to the villages to help with the work, organically integrating the construction of grass-roots party organizations with the acquisition of wealth by everybody. For five consecutive years, the province despatched 100,000 departmental cadres in 10 batches to the countryside to help with the work and reorganize the less advanced party branches. To satisfy the requirement of having "good party branches, good contingent, good way, good system, and good mechanism," the party has stepped up grass-roots organizations, invigorated the village economy, and made everybody well-off. Altogether 579 million yuan were made available to 21,000 villages, 12,000 new enterprises were founded, 9,700 new wells were dug, 1.23 million mu of economic forests were developed, 80,000 kilometers of new roads were built, 5,530 medical stations were newly constructed or restored, and 3,100 schools were rebuilt or renovated, which successfully hastened the process of helping everybody become well-off. In Luliang Prefecture, 772 government cadres were transferred from all three levels—prefecture, county, and township—in the second half of last year and sent to 701 specially poor villages whose per capita net income was less than 300 yuan. There the cadres are to serve as party branch secretaries or village committee chairmen for 3 years. The results have been very satisfactory.

III. Further Deepen Understanding, Adhere to CPC Central Committee's Correct Policy Direction, and Guide Peasants to Take Road of Becoming Well-Off

Based on the findings of our survey, we must work on the understanding of leading cadres at all levels first before we can make progress in making everybody well-off. Cadres must be taught to earnestly study and thoroughly master Comrade Deng Xiaoping's development strategy of allowing some places and some individuals to become rich first so that they can help even more localities and people become well-off too. It must be realized that the theory of becoming well-off together is an essential part of Deng Xiaoping's theory of building socialism with Chinese characteristics. We must look upon the issue of being well-off together from the high plane of adhering to the socialist direction. Furthermore, we must pay attention to the widening gaps between localities and between the rich and poor in society and, starting today, work to bridge them. We must not wait until severe polarization and class divisions have occurred before doing something about them. Only when we take these problems seriously and resolve them can our party's purpose of working for the interests of the vast majority be realized. Only then will the party and the government be appealing to the masses and can serve as rallying points. Only then will they win the masses' support. Only then will the party's ruling-party status be consolidated and the nation enjoy long-term stability and tranquillity. This is both the crux of our party's mass line and a key yardstick with which to assess the political consciousness and steadfastness of our leading cadres. In accordance with this guiding thought, since the first half of last year we have reviewed and replicated the examples set by a number of places including Jiajiazhuang in Fenyang County, Qiaoli village in Linfen Prefecture, and Fengbi village in Yicheng County in developing the collective economy and encouraging those who were the first to become prosperous to help along others not as advanced. We also have conducted a publicity campaign to guide public opinion in an organized manner and launched extensive and in-depth research. Special mention was made at the plenary session of the Shanxi CPC Committee of the guiding thought of the first to become rich helping those who are slower to catch on and everybody becoming well-off together. The standing committee of the Shanxi CPC Committee also has heard reports on the results of studies in this area and convened seminars on "the first to be well-off helping those less advanced." Recently I made a speech on this subject at a province-wide on-the-spot meeting on the work of achieving a comparatively well-off standard of living in which I put forward demands to the whole party. In addition, I intend to emphasize this issue

in the report to the Seventh Provincial CPC Congress next January.

As far as policy guidance is concerned, we have emphasized the following points:

Don't waver from or be ambiguous about the direction we must adhere to, which is to make everybody well-off. Making everybody well-off is a historical process. We cannot demand that it be accomplished overnight. Instead we must create the conditions vigorously and put it into effect in stages. We must not change the policy of allowing and encouraging some places and some individuals to become rich first through honest hard work. At the same time, we must energetically advocate the idea of those who have become rich first helping others who have yet to do likewise. Becoming well-off together means developing together. But it is impossible to develop at the same pace. Therefore we must insist that efficiency be the first priority, at the same time taking social justice into consideration. First, though, the pie—aggregate social wealth—must be enlarged. Then we can achieve social justice in distribution at the right time and in the right way. Don't go for egalitarianism. Don't transfer resources indiscriminately. Don't treat everything as belonging to the public. Ease the minds of people who were the first to achieve prosperity legally through hard work. Let them continue to develop production and create wealth. Meanwhile, let those who are slower to make money or who are still in poverty see hope so that they can become self-reliant and make unremitting efforts to improve themselves. That way they will develop the courage to pursue wealth and become rich.

Uphold the principle of mutual benefit. Let people complement one another's strengths and develop together. Since the level of development varies from place to place, we must suit measures to local conditions and provide individualized guidance. In our province, aid for the poor should be increased and everything must be done to ensure that the basic needs of 3.81 million poor people are met within three to five years. As far as narrowing the geographical gap is concerned, we must concentrate on reducing the gap between the central part of the province, which is more developed, and the mountainous areas and old liberated areas in the west and east, and the gap between industrial and mining areas and non industrial and nonmining areas. Toward that end, we must introduce an appropriate inter-regional transfer payments system; apply a preferential development policy toward poor and backward areas; boost funding, technological, and personnel support for those areas; and step up infrastructural development, including transportation, communications, water conservation, and energy, and the development of basic in-

dustries. Guide rich areas to enter into complementary economic and technological cooperation with poor areas. Turning to the urban-rural gap, as far as the villages are concerned, that means developing the collective economy vigorously, developing township and town enterprises, and developing diversified operations and multiple economies. In particular, it means developing a variety of special rural lead industries. Bridging the urban-rural gap also requires the government to adopt effective regulatory and control measures to narrow the price scissors between industrial and agricultural products and increase the support for agriculture by the department of finance, banks, and every industry and every trade. A sound and comprehensive rural socialized service system must be established and an earnest effort must be made to ease the burden on peasants. As far as urban-rural relations are concerned, we must make the most of cities as points of dissemination and as leaders. When it comes to narrowing the distribution gap between different industries and trade, we must turn to both administrative tools and economic tools, limit the total distribution amount, curb monopolies, and prevent such activities as raising prices and collecting fees irresponsibly and arbitrarily. As for narrowing the income gap between members of society, we must enforce in real earnest the policy of "protecting legitimate earnings, regulating excessive incomes, and outlawing illegal incomes." Implement an anti-profiteering law and carry out a progressive personal income tax policy. Crack down on tax evaders and cheaters and on those who undermine socialism by committing fraud and deception as they make money illegally. At the same time, we must vigorously advocate the notion that people who have become rich ahead of others should help those who have not made good. Spread the idea that it is a pleasure to help the poor and the needy. We must encourage those who have become rich to invest heavily in social welfare undertakings.

The party and the government are duty-bound to make everybody well-off together. Besides, there is so much they can do. We are in the midst of developing a socialist market economy. This is the direction we must take in reform. However, we also should realize that the market economy inherently favors the rich and discriminates against the poor. Market regulation can only widen the income gap and lead to polarization between the rich and the poor. We must make the most of the government's role in regulating and controlling production and distribution in order to offset the market mechanism's shortcomings. Don't take a laissez-faire attitude toward distribution inequity. We can't afford to lose confidence or follow a do-nothing policy.

(Writer is secretary of Shanxi CPC Committee.)

Northeast Region

***PRC: Provincial Party Secretary Plans for Heilongjiang in Year 2010**

96CM0449A Beijing RENMIN LUNTAN [PEOPLE'S FORUM] in Chinese 8 May 96 No 5, pp 12-13

[Part 2 of "Forecast for 2010 by Local Chinese Officials"; Article by CPC Central Committee member and Heilongjiang CPC Committee Secretary Yue Qifeng (1471 1477 1496): "On Building Heilongjiang Into a Strong Farming Province for the 21st Century"]

[FBIS Translated Text] Our Heilongjiang is a large farming province, with the rural areas being both our major new economic development growth points and our key potential for fast economic growth. The Fifth Plenary Session of the 14th CPC Central Committee has once again emphasized giving first place to agriculture, pursuing policy preferences for priority development. And leading central comrades have also clearly called for "doing a good job of tract development in regions such as Heilongjiang, Xinjiang, and the Huang Hai-Huai He [Yellow Sea-Huai River] zone. But we are now faced with the objective situation of a glaring conflict between our farm and sideline product supply and demand, with sharp market demand, which is providing us with a historic opportunity to speed up our farm development. So making agriculture our top economic development priority for faster development, is the best way to combine state industrial policy with market demand and Heilongjiang's distinctive advantages. It is an effective way to adjust strategically Heilongjiang's industrial structure and product mix that is resource-oriented, emphasizing "raw" [materials], and involving too much primary manufacturing, and a strategic breakthrough in accelerating Heilongjiang's economic development. Consequently, at the Fourth Plenary Session of the Seventh Heilongjiang CPC Committee, we decided to turn Heilongjiang from a large agricultural province into a strong farming province faster. Through persisting in reform and opening, and pursuing a strategy of revitalization of agriculture through scientific education and industrialization, we are striving to double our overall grain output by 2010, as well as to make significant breakthroughs in land resource development and utilization and overall rural economic growth.

I. Persisting in Reform and Opening, To Make a Sharp Breakthrough in Land Resource Development and Utilization

Our greatest advantage for turning Heilongjiang into a strong farming province is our rich land resources. Heilongjiang still has 73.67 million mu of "five-waste" resources that have never been developed or utilized, over 60 million mu of prairie that is now suffering

severe degeneration, desertification, and alkalization, more than 80 million mu of sparse woodlands and logged and burnt out land that has not been planted or reforested, and over 34 million mu of water surface, only around one-eighth of which has been utilized. At present, much of Heilongjiang's land resources are idle and being utilized inefficiently on one hand, while on the other nearly one-third of the surplus workers in our rural and urban industrial and mining enterprises have no job outlets. The basic reason for that is the limitations of our traditional system, with "all eating out of one big pot" not having been eliminated completely, and quite glaring problems of administrative divisions, regional blockades, and bureaucratic barriers. So we need to change our state of living frugally in our "golden mountains," acting instead in line with the basic principles of "the three contributions," to better free up our thinking, intensify reform, ease policies, and deregulate operations.

1. We need to break free from the formula that state-owned means state-run, quickly disseminating household operations to "five-waste" development and all lines such as forestry, livestock raising, sideline production, and fishery. Our General Forest Industries Bureau projects that if we put one-third of the "five-waste" resources in our forest zone into household operation, we could achieve the dual effect of self-development and faster reforestation without the state having to spend a cent.

2. We need to break out of our administrative divisions, acting in line with market economy needs, to make overall plans for the development of the land resources within our region. We need to act on the principles of unified management, integrated development, joint operations, and common benefits, using land as the intermediary between forestry and farming, mining and farming, industry and farming, central/provincial and local jurisdiction, and departments, to achieve joint development and cooperative joint-stock operations.

3. We need to break down our traditional closed development model, opening up wider to both the rest of China and the outside world. We need to focus on doing a good job of multipurpose development in the Three-River and Song-Nen Plains, extending our developed zone into the Hei He, the Greater Khingan Range, and other zones suited to tract development. And we need to guide a flow of industrial and mining enterprises to farming in a directed way, surplus urban workers and unemployed to rural areas, individual and private enterprise capital to farm development, and the public in places with high population and little land to zones where "five-waste" resources are rich and concentrated.

4. We need to break up our rigid land utilization form, utilizing through development and protecting through utilization. We need to protect the environment in the whole process of resource development, utilization, protection, and operation. And we need to act on the principle of biological maximization, establishing an ecological system that will sustain the multipurpose development of farming, forestry, livestock raising, and fishery, organizing specialists to conduct demonstration plans in barren hills, wasteland, and wilderness areas, and farming, foresting, and raising livestock as best indicated, for an equal emphasis on economic efficiency, social benefits, and ecological protection.

II. Revitalizing Agriculture Through Scientific Education, To Build Heilongjiang Into China's Largest Strategic Grain Reserve Base

Heilongjiang ranks first in China as to grain commercialization and reserves, having unique advantages for the development of grain production. Our land conditions rank at the top in China, with Heilongjiang having over one-tenth of both China's arable land and developable land reserve resources, and our per capita arable land and average land cultivated per farmer both being about three times their averages for China. We are one of the world's three major black earth zones, with over 60 percent of our land being black earth, chernozem, and grassy marshland, and the organic content of our soil being far higher than the national average. And meanwhile, our land is concentrated in tracts, level and broad, suited to operations of scale and intensive scientific and technological [S&T] and machinery input. Our water resources are the most abundant in northern China, with 70 percent of our annual rainfall concentrated in the crop production period. Our environment is the best in China, with over 470,000 sq km of land with no deserts, exposed rocks, or permafrost. And moreover, we have the natural barrier of the Greater and Lesser Khingan Ranges, with a forest coverage rate topping 40 percent, ranking us first in China, as well as quite good natural reservoir and climatic conditions.

To develop these advantages, we have huge potentials for higher grain output, such as: 1) structural adjustment potential; 2) corn cultivation potential on protected land; 3) seed improvement potential; 4) chemical fertilizer input potential; and 5) reserve land resource development potential. In these few major categories alone, Heilongjiang's overall grain output, based on its 1994 volume of over 50 billion jin, can be raised around 15 billion jin by the year 2000 and 50 billion jin by 2010. That will account for one-seventh and one-fourth of China's increased grain output for those periods, with most of our increased output being commodity grain.

Historically, Heilongjiang's grain output grew from an average of only a little over 26 billion jin a year during the Fifth Five-Year Plan to more than 50 billion jin by the latter part of the Eighth Five-Year Plan, doubling in some 15 years. So in the next 15 or 16 years, it ought to be possible to double it again.

The basic way to increase our grain output is to rely on S&T [science and technology] advances. We now need to make breakthroughs in "two major revolutions": 1) We need to proceed vigorously with the "green revolution," consisting mostly of improved breeding, introduction, and dissemination. We need to make full use of high-tech means such as genetic engineering to produce as quickly as possible several high-yield, quality, and early-maturing local varieties suited to Heilongjiang's conditions, striving to develop a new variety upgrade or replacement every five years. 2) We need to proceed in an all-out way with the "white revolution," involving cultivation technology on protected land. And meanwhile, we need to use various forms to raise the overall scientific knowledge and literacy of farmers, reforming well our agricultural S&T and rural educational systems, and integrating economic development with scientific education, to free up and revitalize our farm research institutions and agroscientists and agrotechnicians. As an incentive for scientists and technicians to work in rural areas, we need to let them contract land on most Heilongjiang land terms. That will help them to carry out scientific experiments on their own contracted land, playing experimental, demonstration, and promotional roles, while also increasing their incomes, stabilizing their ranks, to better rouse their initiative.

III. Pursuing an Industrialization Strategy, To Sharply Raise Overall Rural Economic Output

The major reason why Heilongjiang is a large but not strong farm province is that we are lagging in the secondary and in-depth development of our farm resources, with low manufacturing added value. The problem is focused in two areas: 1) Our various social reproduction links are not dovetailed, with divorced operations among trade, industry, and farming, production, manufacturing, and sales, and planting, cultivation, and manufacturing. 2. Our productive forces layout is poor and duplicated, with isolated development between urban and rural areas, sectors, and regions. That leaves Heilongjiang's farm and sideline product manufacturing on too small of a scale, with the average enterprise having assets of only around 200 yuan, meaning low-level duplication and much idle primary manufacturing capability.

Experience has shown that industrialized operations is a successful way to develop our farm resources in depth, to sharply increase our overall rural economic output.

Zhaodong City has pursued a corn "Pyramid" project, setting up a large grain alcohol plant with an annual manufacturing capacity of 100,000 tons of corn and an output value topping 100 million yuan. Through manufacturing at various levels, it can multiply its output value about fiftyfold. Three years later, its sales income will probably top 9 billion yuan. Such a focus on dominant industries and products, to establish a "dragon" type production operation system integrating production, supply, and marketing, cultivation, breeding, and manufacturing, trade, industry, and agriculture, and economics, science, and education, in which the market controls the "dragon head," the "dragon head" develops bases, and bases link farmers, to gradually achieve a regionalized layout, specialized production, operations of scale, socialized service, and businesslike management, is what we call industrialized operations.

Proceeding from Heilongjiang's realities to pursue industrialized operations will mean emphasizing a pivotal industry, or livestock raising, as well as developing two key industries, or the farm and sideline product manufacturing and building materials industries. And that will mean stressing four key links. 1) We need to start with adjusting the profit relations between enterprises and farmers, to do a good job of setting up raw material bases. 2) We need to employ new forces to revitalize, support, and develop "dragonhead" enterprises. 3) We need to build a better market system. 4) We need to improve our overall macroeconomic planning, bringing initiative into full play at all levels, to overcome recklessness [development].

Biographical Notes on Yue Qifeng

Yue Qifeng was born in December 1931 in Daming County, Hebei. He started to work in January 1945, joining the CPC that year. He is now a member of the 14th CPC Central Committee and Heilongjiang CPC Committee secretary. He has served in Gandan, Hebei as Municipal CPC Committee office director, deputy secretary general, and vice secretary. He has also served in Chengan County, Hebei as County Revolutionary Committee deputy director, in the Gandan region as director of the Regional Heavy Industry Bureau, as CPC Committee secretary of the Gandan Iron and Steel Plant, Gandan Revolutionary Committee director, Gandan Prefectural CPC Committee deputy secretary, and Gandan Municipal CPC Committee secretary. Since 1984, he has served as Tangshan Municipal CPC Committee secretary, Hebei Provincial CPC Committee deputy secretary, and Hebei governor. He was made Liaoning governor in 1990, and then reassigned as Heilongjiang CPC Committee secretary in 1994.

A Short Guide to Heilongjiang Province

Heilongjiang Province has an overall area of 453,900 sq km, with its current administrative divisions being 11 prefectural-level cities and 68 counties (cities). Its capital is Harbin. By the end of 1994, its population was 36.72 million. Since the founding of the PRC, Heilongjiang has become for China a crucial power, raw materials, and commodity grain production base and heavy industrial base. It has over 110 kinds of known minerals. The Daqing Oilfield is one of the world's largest, with its known reserves making up 46.2 percent of China's reserves. Heilongjiang is also a large agricultural province, with its "arable land" and "land reserve resources" both making up one-tenth of China's, and its per capita "arable land" and "cultivated land per farmer" both being three times their averages for China, to rank first in China in all four of these categories. In 17 years of reform and opening, Heilongjiang has achieved sharp economic and social development, with its overall provincial might further consolidated. In 1995, its economic development rate was the fastest for the last decade, with its projected 1995 GNP at 199.5 billion yuan, up 9.5 percent at comparable prices, and its per capita GNP at 5,385 yuan.

PRC: Heilongjiang Makes Advances in 'Strike-Hard' Operation

OW2407122896 Beijing XINHUA Domestic Service
in Chinese 0650 GMT 23 Jul 96

[FBIS Translated Text] Harbin, 23 July (XINHUA) — Prisons in Heilongjiang launched a political offensive of "acknowledging unconfessed crimes, ferreting up criminal gangs, and unearthing clues" among criminals in custody, gained lots of clues for solving cases, cracked a number of long-pending cases, and thus achieved marked results therefrom.

According to the briefing given by the Heilongjiang Provincial Prison Administration Bureau, since the "strike hard" struggle was waged, those serving sentences in all prisons throughout the province confessed their crimes and provided some 7,000 clues for solving cases of various types, including 1,800 important and exceptionally serious cases, of which 285 cases have now been verified. Of the 285 verified cases, 162 important and exceptionally serious cases have been cracked, yielding illicit money and stolen goods worth 2 million yuan or more.

During the "strike hard" struggle, prisons throughout the province carried out a drive to try to persuade offenders to confess by explaining the party's policy among inmates using typical cases of both leniency and severity. The Harbin prison repeatedly propagated

among inmates the typical cases of leniency to those who had confessed their crimes and informed against offenders. This enabled more than 600 criminals to confess their crimes and provide clues for solving nearly 900 cases. Under the influence of the party's policy, an inmate of the prison confessed, on his own initiative, his crime of raping four students.

Based on the clues provided by those serving sentences, the prisons throughout the province actively and willingly cooperated with public security organs and did their best to transfer, investigate, or give feedback on the cases as quickly as possible. In mid-May, a criminal in custody in the Qitaihe prison confessed his crime and provided clues to solving the case in which in collusion with another person, he killed a taxi driver in Fujin City and then stole the taxi. The prison's party committee immediately contacted local public security organs and joined hands to handle the case, and very soon the criminal suspect who had hidden for four years was captured. In coordination with public security organs and by following the clues provided, the Qiqihar prison cracked five exceptionally serious cases one after another.

At the same time, the prisons throughout the province allocated special funds to organize police officers and men to track escaped criminals. The province has now captured 24 escaped criminals. The escape rate of criminals from the prisons of the province has dropped by a wide margin.

PRC: Liaoning Governor Discusses Bankruptcy of Enterprises

SK2507061696 Shenyang LIAONING RIBAO
in Chinese 6 Jul 96 p 1

[Report by reporter Xu Shaoda (1776 1421 6671)]

[FBIS Translated Text] On 5 July, the provincial government held a forum in Shenyang on the bankruptcy of enterprises in Liaoning. Vice Governor Guo Tingbiao summed up the work of Liaoning thus far, and arranged work specifically for the bankruptcy of enterprises in the next half of this year. Governor Wen Shizhen attended the forum and gave an important speech.

Wen Shizhen held: The main part of the bankruptcy of enterprises in the first half of this year is good and should be fully affirmed. However, since this is an important reform, it is necessary to further unify our thoughts and form a consensus in the aims and meaning of enterprise bankruptcy. The aim of enterprise bankruptcy is to establish a mechanism in which the superior wins while the inferior is eliminated in order that we can cope with the requirements of a socialist market economy. Implementing enterprise bankruptcy

attempts to enliven overall state-owned economies. It is an important measure to effectively check and decrease the loss of state-owned assets, to optimize the credit structure, to enliven funds, and to increase the efficiency of the use of funds.

Governor Wen Shizhen emphasized: In the experimental work of enterprise bankruptcy, we should give priority to key points, insist on the principle of working in an active and stable manner, and ensure a healthy development of the experimental work of enterprises. In the next half of this year, we should focus on two key points. First, we should pay attention to the calculation of debts and encompass the bankruptcy work. Second, we should pay attention to the reorganization of assets of bankrupt enterprises and transforming the management mechanism of newly-established enterprises. Breakthroughs should be made at difficult points, and staff members and workers should be well placed. Those problems stemming from enterprise bankruptcy should be resolved.

Governor Wen Shizhen set forth requirements: We should upgrade the quality of enterprise bankruptcy. All departments should form a joint force to support enterprises to declare bankruptcy according to the law. Governments at all levels should reinforce the organization and coordination of enterprise bankruptcy work. All related departments should actively support the experimental work of enterprise bankruptcy. Local courts at all levels should accelerate the examination of cases concerning enterprise bankruptcy. As regards enterprise bankruptcy work, major leaders of party committees and governments should supervise, engage in, and coordinate the work themselves as well as dissect the "sparrow" personally so as to grasp the progress in a timely manner. We should enrich the guiding force with a number of cadres who are policy-oriented, who possess a pioneering spirit, and who are adept in coordination. It is imperative to upgrade our studies so as to improve our work level. We should achieve success in handling the relationship between reform and stability.

Attending the forum were vice mayors in charge of this matter and city comrades in charge of enterprise bankruptcy and people's banks, as well as provincial comrades in charge of related departments directly under the province, people's bank, and specialized banks. Also attending were comrades in charge of the provincial and city courts and commissioners of the financial ministry stationed in Liaoning, Shenyang, and Dalian.

Northwest Region

*PRC: Changing Attitudes Toward Family Planning Policy in Xinjiang

96CM0429A Beijing ZHONGGUO RENKOU BAO
in Chinese 13 May 96 p 3

[Article by Wang Minli (3769 2404 5461): "Minority Nationalities More Receptive to Family Planning"]

[FBIS Translated Excerpt] [Passage omitted] Family planning was formally introduced among members of minority nationalities in Xinjiang in 1988. The reproduction policy there is more liberal than those in other provinces and regions. After years of extensive services and wide-ranging and in-depth publicity, the masses' ideas about reproduction have changed in gratifying ways. To understand the changes in the marriage and reproduction wishes of minority nationalities; determine their attitudes toward family planning policy, their receptiveness to it, and their marriage and reproduction desires; and identify the weaknesses in our work and hence provide a scientific basis for improving it in the future, we conducted a questionnaire survey on 5,198 people who were of reproductive age and were members of minority nationalities, probing their knowledge of, attitudes toward, and practice in family planning. The survey was conducted between 20 June and 23 July in 43 villages in 43 townships (towns) in Shache County, Kashi Prefecture; Moyu County, Hotan Prefecture; Kuqa County, Aksu Prefecture; and Hejing County, Bayingolin Mongol Autonomous Prefecture. The survey's target population were members of minority nationalities who were of reproductive age, that is, between 15 and 50 years old. The survey method was single-stage unequal proportional random sampling. Details of survey findings are given below:

Attitudes of Minority Nationalities of Childbearing Age toward Existing Family Planning Policy

Of the 5,198 people surveyed, 84.61 percent approved of the family planning policy, 13.02 percent disapproved, and 2.19 percent were indifferent. Men were slightly more likely than women to express approval or disapproval, while women were more likely to be indifferent. Of all the people surveyed, 86.28 percent knew of the legal marriage age and 13.72 percent did not. Men outnumbered women among those who had such knowledge, while women outnumbered men among those who had no such knowledge. About 75.11 percent of the respondents were aware of the late marriage and late childbearing ages. Women were more likely than men to have such knowledge.

If we analyze the above findings, we see that men are more receptive to propaganda and education relating

to the family planning policy because they have more opportunities to become involved in social activities and are better educated. In the future more should be done to educate women about family planning.

Attitudes of Minority Nationalities Toward Marriage Age

1. In response to the question, "What is the best age for a man to get married?" 29.80 percent chose 20 years of age; 21.85 percent, 21-22; 46.65 percent, almost half of those surveyed, 22-25; and 1.06 percent thought the best age for marriage was over 25 years of age.

2. In response to the question, "What is the best age for a woman to get married?" 51.60 percent chose 18-22 years of age; 39.78, between 21 and 22; and 3.67 percent, over 23 years of age. It can thus be seen that after years of propaganda and education, the vast majority of people have developed a greater legal awareness and demand late marriage, suggesting that there is a basis for advocating late marriage among minority nationalities in rural areas. However, a minority of people still want early marriage. They may make up a tiny percentage of the population, but we should work even harder to educate them.

Reproductive Wishes of Members of Minority Nationalities

1. Best age to have children. Among the entire survey population, 10.16 percent believed that the best time to bear a child is before 20 years of age; 52.65 percent, before 23; 26.55 percent, before 25; and 6.6 percent, over 25. Men are more likely than women to think that the best age to have a child is before 23 years of age, while women are more likely than men to choose "before 20" as the best age.

2. Asked how many children a couple should have, 0.68 percent said one child would be ideal; 11.35 percent, two children; 78.84 percent, three children; 7.64 percent, over four children; and 1.92 percent said it did not matter. These findings are basically consistent with the existing family planning policy as applied among minority nationalities in Xinjiang. They also suggest that the policy is understood and supported by the masses. Nevertheless, a small number of people still want many children. They may be in the minority, but since they have considerable influence, we need to step up propaganda and education targeting this group.

3. In response to the question "How much time should ideally elapse before a woman has another child?" 0.01 percent of the people surveyed said that it would be best for two children to be born one year apart; 0.92 percent preferred two years; 88.09 percent, three years;

9.85 percent, over four years; and 1.10 percent said it did not matter. This suggests that there is solid popular support for this particular family planning policy.

4. Asked if they "want a boy or girl," 18.18 percent of the 5,198 respondents said they wanted a boy, 3.16 percent preferred a girl, and 78.66 percent said they had no preference. These numbers indicate that most people do not care if the child is a boy or girl. This is in line with the religious doctrine Muslims subscribe to, namely that both boys and girls are a gift from Allah.

Conclusion

Survey results indicate that 80 percent of the members of minority nationalities understand, support, and accept the family planning policy laid down by the party and the government as a result of the family planning education campaign among all the people launched after the policy's adoption. The people's legal awareness has intensified and their marriage and reproductive intents have changed markedly, thus ensuring the implementation of family planning laws and regulations in the autonomous region. This shows that the existing family planning policy represents the wishes of the majority of people and that there is considerable popular support for family planning among minority nationalities in Xinjiang.

However, we must see that there are still many people who favor early marriage, early parenthood, and mul-

tiple children. While constituting a small proportion of the population, they are fairly typical and have substantial influence. Like the rest of the nation, Xinjiang is at the peak of a baby boom right now. Family planning had a late start among minority nationalities and the work foundation is weaker. There is still a wide gap between the masses' marriage and reproductive wishes and the family planning policy, which makes it harder to implement the policy in reality.

There is a demand for family planning among minority nationalities, along with scientific knowledge on contraception, birth control, good prenatal care, and good child-rearing. However, there is a dire shortage of minority family planning propagandists, certainly not enough to satisfy popular demand for such knowledge. Much more needs to be done to intensify family planning propaganda and education. Of the 5,198 people surveyed, their participation in all sorts of propaganda activities averaged a mere 1.63 times. Furthermore, 23.43 percent did not receive any propaganda services. As far as family planning knowledge is concerned, public demand is strongest for policy-related information, followed by knowledge on prenatal care, child-rearing, contraception, and maternal and child care.

[Passage omitted]

PRC: Spokesman Comments on Proposal for Taiwan UN Membership

OW2407133796 Beijing XINHUA Domestic Service
in Chinese 0911 GMT 24 Jul 96

[FBIS Translated Text] Beijing, 24 July (XINHUA) — Foreign Ministry spokesman Cui Tiankai made a statement today regarding the proposal submitted to the United Nations by a small number of countries on the issue of Taiwan's so-called "representation" in the United Nations, reiterating China's firm opposition [jian jue fan dui 1017 0414 0646 1417] to interference in its internal affairs by any country in violation of the spirit of the United Nations Charter.

Cui Tiankai said: Nicaragua and a small number of other countries recently sent a letter to the UN secretary general, in which they openly disregarded history and brought up the issue of Taiwan's so-called "representation" in the United Nations. This is a serious event [yan zhong shi jian 0917 6850 0057 0115], which willfully tramples on [zi yi jian ta 1864 1942 6432 6431] the purposes and principles of the "United Nations Charter" and wantonly interferes [cu hao gan she 4723 2552 1626 3195] in China's internal affairs. The Chinese Government and people express their strong condemnation [qiang lie de qian ze 1730 3525 4104 6232 6307] of this proposal. The Taiwan issue is purely an internal affair of China. We firmly oppose interference in China's internal affairs by any country in violation of the spirit of the United Nations Charter.

He said: The United Nations is an international, intergovernmental organization composed of sovereign states. Only sovereign states can become its members. Taiwan has been an inalienable part of China since ancient times. As a province of China, Taiwan has no qualifications whatsoever to join the United Nations in any form.

He said: Twenty-five years ago, the 26th UN General Assembly adopted by an overwhelming majority Resolution 2758 of far-reaching historic significance. The resolution not only restored all the legitimate rights of the PRC at the United Nations, thus fairly and thoroughly settling the issue of China's representation at the United Nations; it also thwarted the conspiracy by a small number of countries to create "two Chinas" or "one China, one Taiwan" at the United Nations.

Cui Tiankai said: Going against the historical trend and not accepting their failure at the United Nations for three successive years, this year, the Taiwan authorities have once again raised a hubbub over the so-called "participation in the United Nations," and spared no effort to win over and buy off a small number of countries to press their case. What needs to be pointed

out is that the Taiwan authorities' wanton engagement in splittist activities aimed at creating "two Chinas" or "one China, one Taiwan" in the international community have led to tension across the Taiwan Strait that has been absent for many years. Such tension has directly affected Taiwan's economic development and social stability and seriously damaged the vital interests of Taiwan compatriots. Only when the Taiwan authorities truly return to the principle of "one China" and take practical actions to develop cross-strait relations can we fundamentally safeguard the well-being of the Taiwan people, bring benefits to the people on both sides of the Taiwan Strait, and ensure a bright future for Taiwan.

He pointed out: The Chinese Government's basic principle for solving the Taiwan issue is "peaceful reunification and one country, two systems." We have all along advocated political negotiations on peaceful reunification across the Taiwan Strait. Under the prerequisite of one China, any issues — including those of interest to the Taiwan authorities — can be discussed. To this day, however, the Taiwan authorities have acted willfully and continued their activities aimed at splitting the motherland in collusion with international anti-China forces. Such acts will certainly meet with firm opposition from all the Chinese people, including our compatriots in Taiwan Province.

The spokesman said: We firmly believe that we will continue to have the understanding and support of the governments and peoples of other countries, as well as of the United Nations, in our just cause of safeguarding national sovereignty and territorial integrity and achieving the motherland's reunification. Any scheme that sets the interests of the Taiwan compatriots against the overall interests of the Chinese nation is doomed to failure.

PRC: Qian Qichen Stresses Policy on Taiwan

OW2507103096 Beijing XINHUA in English
0942 GMT 25 Jul 96

[FBIS Transcribed Text] Jakarta, July 25 (XINHUA) — Chinese Vice Premier and Foreign Minister Qian Qichen today reiterated China's policy on the Taiwan issue, saying that the issue can only be resolved by Chinese people themselves.

Answering questions at a joint news conference attended by ASEAN members and their ten dialogue partners, the Chinese minister said there is only one China in the world — the People's Republic of China — and Taiwan is part of China.

The government of the People's Republic of China is the sole legitimate government representing all China, he stressed.

"The policies of the government of the People's Republic of China for the settlement of the Taiwan issue are peaceful reunification and 'one country, two systems'," Qian noted.

On the situation in the Taiwan Strait, Qian said that as long as there is no foreign intervention or independence and separatist activities in the Taiwan Strait, "no tension will be raised in the Strait."

Meanwhile, Chairman of the ASEAN Post Ministerial Conference (PMC) and Indonesian Foreign Minister Ali

Alatas said ASEAN held that the Taiwan issue is the internal affairs of the People's Republic of China and there is "no way for it to be put into the ASEAN's agenda."

The Association of Southeast Asian Nations (ASEAN) groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

Taiwan: Officials Unable To Confirm Dismantling of Lighthouse

OW2407135296 (Internet) Taiwan Central News Agency WWW in English 1044 GMT 24 Jul 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, July 24 (CNA) — ROC [Republic of China] Ministry of Foreign Affairs said Wednesday that it hopes the Tiaoyutai dispute can be resolved peacefully and called on Japan to respect the ROC's sovereignty over the offshore islands.

Officials with the ministry said they are still trying to gain information of the latest development of the incident through diplomatic channels and cannot yet confirm a foreign media report that Japan will dismantle a lighthouse built by a Japanese right-wing group on Tiaoyutai.

REUTERS reported Tuesday from Jakarta that Japanese Foreign Minister Yukihiko Ikeda assured his Mainland Chinese counterpart Qian Qichen that Tokyo will tear down the lighthouse built by the right-wing Japan Youth Foundation. The two are in the Indonesian capital city for the third meeting of the Association of Southeast Asian Nations Regional Forum.

The report, citing mainland Chinese Foreign Ministry spokesman Shen Guofang, said "we think the Japanese side will now take the action that will complete this issue and that will include the dismantling of the tower."

The erection of the lighthouse by the Japanese extremist group on Tiaoyutai in the East China Sea, traditional territory claimed by the Republic of China [ROC], has stirred strong protests by Chinese people in Taiwan, Hong Kong and Mainland China.

Meanwhile, an official with the Taipei office of Japan's Interchange Association, which represents Japan's interests in Taiwan in the absence of diplomatic relations between the two countries, told CNA that he cannot confirm the REUTERS report and that he has no information about the issue.

The official said, however, that the Japanese Government is still studying how to handle the dispute and that his office will immediately make public any instruction from the Japanese government.

Taiwan: Territory Dispute With Japan Escalates; Talks Called For

OW2407154296 (Internet) Taiwan Central News Agency WWW in English 1518 GMT 24 Jul 96

[By Maubo Chang]

[FBIS Transcribed Text] Taipei, July (CNA) — In a sign of the escalating dispute with Japan over a chain of uninhabited islands, the ROC Foreign Ministry vowed in a statement Wednesday that the ROC will not give up even an inch of its land, and called on Japan to consult with Taiwan before drawing its 200-mile exclusive economic zone.

For the second time in five days, the ministry said in a written statement that the Tiaoyutai Islands are an integral part of the ROC, judging from their geographic location, historical links, and their constant use by Taiwanese.

Tiaoyutai, a group of islets lying 125 miles to the northeast of Taiwan, is claimed by the ROC, Japan, and Mainland China.

A group of Japanese nationalists set up a lighthouse on one of the islands on July 14, arousing fierce protests from both Taipei and Beijing.

Further stoking the controversy is Tokyo's unilateral announcement that it will exercise its right to a 200-mile exclusive economic zone under the 1982 UN Convention on the Law of the Sea.

The ministry's statement said that Japan should negotiate with the ROC according to the UN convention to demarcate the inevitable overlap of waters between the two countries. The ministry vowed to resist any Japanese decision to include Tiaoyutai in its territorial waters or to use the islands to mark off its economic zone.

The statement urged Japan to avoid further dispute with Taiwan over the islets at a time when friendly ties between the two sides have already been dented by the unresolved issue of compensation for Taiwanese conscripts and forced sex slaves during World War II.

The ministry also called on the Legislative Yuan to enact laws on ROC territorial waters as a basis for the ROC's claims to Tiaoyutai.

Cheng Wen-hua, vice foreign minister for Asia-Pacific affairs, said in a press conference called to release the statement that he understands the feelings of some local fishermen who had planned to rally in waters around the disputed islets in August in defiance of Japan's territorial claims. But as a modern, civilized nation, he said, the ROC prefers to solve its disputes with neighboring countries by international law.

He called on the fishermen to refrain from acting irrationally and to unite behind the government in dealing peacefully with Japan.

In response to wire service reports that Tokyo has promised Beijing to get rid of the lighthouse that led to the controversy, Cheng said that his ministry has not yet confirmed the reports. But even tearing down the lighthouse would not solve the conflicting territorial claims among the concerned parties, he said.

Taiwan: 'Full Text' of Foreign Ministry Statement on Tiaoyutai

OW2507080796 Taipei CHUNG-YANG JIH-PAO
in Chinese 25 Jul 96 p 2

[FBIS Translated Text] Following the construction of a lighthouse on the Tiaoyutai Islands without authorization by Japan's Seinen-sha, the Japanese Government announced the implementation of provisions concerning the 200-nautical-mile exclusive economic waters of the 1982 UN Law of the Seas beginning 20 July. This has attracted widespread domestic attention. The Foreign Ministry of our country made a statement on this yesterday.

The full text of the statement is as follows:

1. The Tiaoyutai Islands have constituted an integral part of China's territory since ancient times. In the reign of Jiajing of the Ming Dynasty, it was already included within the scope of our coastal defense. Many other historical facts have also proved that they are China's territory. Besides, because of their geographical location, geological structure, historical ties, and their being continuously used by the Taiwan residents over a long period, the Tiaoyutai Islands have closely linked with Taiwan Province of the Republic of China. Our government has made many statements concerning the sovereignty of the Tiaoyutai Islands. It reaffirms here that the Tiaoyutai Islands are a part of the integral territory of our country and based on our government's sacred duty to defend the territory, it will never give up sovereignty over even an inch of its territory.

2. Regarding Japan's Seinen-sha building a lighthouse on the Tiaoyutai Islands without authorization, our government has expressed our serious concern to the Japanese side through various channels. Besides, the Japanese Government announced the implementation of provisions on the 200-nautical-mile exclusive economic waters beginning from 20 July this year. If the Tiaoyutai Islands are included or if they are used as base lines for delimiting the 200-nautical-mile exclusive economic waters, it is unacceptable to our country. Our government will do all it can to safeguard the rights and interests of our fishermen for operating in the waters of

the Tiaoyutai Islands, and affirms the way our people support the government's peaceful, firm, and solemn position on safeguarding territorial sovereignty.

3. The Japanese Government is urged to follow Article 74 of the 1982 UN Law of the Seas and negotiate with our side on overlapping waters of Japan and our country before delimiting its 200-nautical-mile exclusive economic waters in order to have a fair and reasonable settlement. Our government will, in the spirit of settling disputes by peaceful means of the UN Charter and general principles of other international laws, continue to take a rational and realistic attitude, energetically make solemn representations with Japan, and urge the Japanese side to exercise restraint in order to avoid damage to the rights and interests of our country and the friendship and common interests of the two sides.

4. To delimit as early as possible the base lines of our country's territorial waters and on the basis of this, to delimit a 200-nautical-mile exclusive economic waters so as to protect our country's maritime rights and interests, the Executive Yuan will actively coordinate with the Legislative Yuan in examining the draft of the "Law of the Republic of China on Territorial Waters and Their Surrounding Areas" and the draft of the "Law of the Republic of China on the Exclusive Economic Waters and Continental Reefs," so as to complete their legislation.

5. Our government will continue to keep a close watch on the development of the situation and the Japanese side's move in the future and will take necessary precautions.

6. As a result of the common efforts by the relevant people from both sides over the past years, China-Japan relations in various fields have substantially improved, but several issues still remain unresolved, such as former Japanese soldiers of Taiwan nationality and comfort women. We have on several occasions expressed our hope to the Japanese side that further discussions should be held on them, but the Japanese side has not responded positively. As it now stands, if the Japanese side still allows its civilians to create disputes on the Tiaoyutai islands, it will seriously affect the development of China-Japan friendship and friendly relations. Our government sincerely hopes that the Japanese side will handle this matter properly.

Taiwan: Officials Say Taipei Seeking 'Fair Treatment' by UN

OW2507090496 (Internet) Taiwan Central News Agency WWW in English 0738 GMT 25 Jul 96

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, July 25 (CNA) — The Republic of China [ROC] is seeking a fair and reasonable treatment by the United Nations, and does not want to challenge the representation of Mainland China in the world body, officials of the Ministry of Foreign Affairs said.

The officials made the remarks Wednesday [24 July] when asked to comment on the ROC's UN bid this year.

For the fourth year in a row, a group of mostly Central American, Caribbean and African nations proposed that the UN study the issue of Taiwan's representation in the world body.

Foreign affairs officials said that this year's proposal, made by 16 UN members in a July 17 letter to UN Secretary General Butrus Butrus-Ghali, "showed clearly that what the ROC want is a fair treatment," and that Taiwan is not going to challenge the seat of Mainland China in the UN.

The officials said that they were not surprised that Qin Huasun, mainland Chinese ambassador to the UN, protested with Butrus-Ghali over the proposal.

They said Mainland China should not distort the true meaning of the proposal, which is to solve the "unusual nature" created by the UN Resolution 2758.

The UN Resolution 2758 adopted in 1971 gave the China seat to the People's Republic of China. As a result, the 21.3 million people on Taiwan have been deprived of their rights to be represented in the UN.

In the past three years, the proposals made by UN members friendly to the ROC had urged the UN to address the problem of Taiwan's representation under the principle of universality as well as parallel representation of divided nations.

Since 1993, ROC diplomatic allies had presented similar proposals, but they had been defeated every year due to Beijing's pressure.

The 16 nations that made the proposal this year are Burkina Fasso, the Central African Republic, the Dominican Republic, Dominica, El Salvador, the Gambia, Grenada, Guatemala, Guinea-Bissau, Honduras, Nicaragua, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Solomon Islands and Swaziland.

Taiwan: Taipei To Help Mainland China Develop Stock Market

OW2407143896 (Internet) Taiwan Central News Agency WWW in English 1324 GMT 24 Jul 96

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, July 24 (CNA) — Taiwan will help Mainland China develop its securities market, Chen Hsu, chairman of the Securities and Exchange Commission (SEC), said Wednesday.

Chen made the remarks while attending a seminar here sponsored by Core Pacific Securities on cross-strait securities market development.

Chen said that in view of the government's bid to develop Taiwan into an Asia-Pacific operations hub, the two sides of the Taiwan Strait should promote securities industry exchanges.

The SEC, with over 30 years of experience in developing Taiwan's securities market, will help Mainland China develop its securities market, Chen said.

Chen said that the mainland stock market will be one to reckon with during Asia's economic development, adding that the Shanghai stock market is already growing rapidly. He predicted that the Shanghai and Taipei bourses will one day compete in a complementary relationship.

On the flow of mainland Chinese capital into the Taiwan stock market, Chen said that the SEC has no way to stop mainland capital from coming here, but that if mainland capital is used illegally, the SEC has ways of dealing with the problem.

He said that cross-strait securities exchanges will be conducted in line with the National Unification Guidelines, and that the SEC will approve indirect investment by local brokers that want to set up footholds in the mainland on a case-by-case basis.

Taiwan: Lien Calls For Support To Accelerate Economic Growth

OW2407155296 (Internet) Taiwan Central News Agency WWW in English 1451 GMT 24 Jul 96

[By Bear Li]

[FBIS Transcribed Text] Taipei, July 24 (CNA) — Concerned about the slowdown in Taiwan's economic growth, Vice President and Premier Lien Chan on Wednesday asked relevant government agencies to accelerate public construction projects to help prop up the economy.

Lien gave the order after hearing a report by the Council for Economic Planning and Development (CEPD) on the current economic situation.

The CEPD report put Taiwan's economic growth in the first quarter of this year at 5.3 percent and forecast second-quarter growth to have fallen below the targeted six-percent level.

It also listed Taiwan's export growth during the January-June period at only 8.4 percent, compared with the 20.7 percent for the whole of last year.

Lien said that a nation's export growth rate is an indicator of its economic structure and competitiveness, and that government agencies concerned should redouble their efforts to improve the economic structure and raise competitiveness.

He stressed that increasing both public and private sector investment is one of the government's top priorities, and he asked the Public Construction Commission to coordinate with related departments to push ahead with public construction projects as quickly as possible.

Taiwan: CEPD Reports Economy To Rebound in 2d Half of Year

OW2507085796 (Internet) Taiwan Central News Agency WWW in English 0834 GMT 25 Jul 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, July 25 (CNA) — Despite some persistent weak points, both the country's top economic planning agency and a private economic think tank sounded optimism about Taiwan's economic outlook for the second half of this year on Thursday.

Reporting on Taiwan's general economic climate at a Cabinet meeting, P. K. Chiang, chairman of the Council for Economic Planning and Development (CEPD), said the domestic economy is showing a recovery trend.

Echoing Chiang's optimistic report, the Taiwan Institute of Economic Research predicted in its latest economic review that the economy will grow faster in the coming months and the 1996 GNP growth rate will reach 6.29 percent.

"Preliminary statistics showed that June's overall economic performance had improved greatly as compared with the previous month," Chiang said, adding that the economic rating would rebound to "yellow-blue" from May's ominous "blue" rating. The CEPD will release a detailed report on June's economic data on Saturday.

Chiang said the upward trend shown in June is expected to continue into the second half of the year as the

government has announced new stimulus measures to spur growth and remove investment barriers.

Chiang cited several factors that hindered economic growth in the first half of the year, including weak domestic demand, slow export-import growth, delay in major infrastructure construction and tensions with rival Mainland China.

Chiang said the business climate in the first half of this year was worse than last year because foreign trade was downshifting while domestic demand remained as sluggish as a year ago.

"Both exports and imports grew by more than 20 percent last year, which had helped bolster our economic growth amid feeble domestic consumption," Chiang said.

The export growth rate slid to about 6 percent in the first six months of this year and imports even registered negative growth. As a result, the overall economic growth rate was only 5.3 percent for the January-March period, falling below the government target of 6 percent. Chiang said the second-quarter growth rate was not expected to reach 6 percent, either.

However, Chiang cited several favorable factors that may help revitalize the Taiwan economy in the months ahead: steady increases in machinery and equipment imports, the devaluation of the New Taiwan dollar and faster economic recovery reported in the United States and Japan.

"Given the situation, we believe our economic outlook will be brighter in the second half of the year," he added.

Meanwhile, the Taiwan Institute of Economic Research said the general international business climate and financial trend are turning in Taiwan's favor.

As the U.S. dollar has continued gaining strength in the world money market, the institute said the NT dollar's exchange rate will stand at an average of NT\$27.43 against the U.S. dollar this year. A weaker NT dollar will help enhance Taiwan's export competitiveness.

It further said domestic consumer spending is expected to increase strongly in the second half of the year as the local stock market has remained bullish. It predicted that private consumption will post a 6.34 percent gain this year, and private investment will climb an annualized 8.97 percent.

With exports outgrowing imports, the institute predicted that Taiwan's foreign trade surplus will reach U.S.\$11.79 billion this year. It also forecast the domestic inflation rate at a modest 3.28 percent, lower than the government-set 3.5 percent ceiling. "Stable consumer prices will help sustain growth," the institute noted.

Taiwan: Rise in Three Major Money Supply Indices in Jun

OW2507090896 (Internet) Taiwan Central News Agency WWW in English 0834 GMT 25 Jul 96

[By Elizabeth Hsu]

[FBIS Transcribed Text] Taipei, July 25 (CNA) — The annual growth rates of three major money supply indicators — M1A, M1B and M2 — surged vigorously in June, showing the Central Bank of China's easy credit policy is paying off.

The bank said Thursday that the M2 money supply growth reached an eight-month high of 8.5 percent in June. While the annual growth rate of M1A rose to 0.92 percent, the highest level over the past 13 months. M1B's annual growth rate increased to 5.5 percent, a new high in 14 months.

M2 is the broadest measure of a country's total money stocks, comprising currency in circulation, all types of deposit money and quasi-money (including time deposits and treasury bills).

M1A measures cash in circulation, checking and demand deposits plus passbook savings deposits, while M1B is widely believed to be the most telling indicator of the domestic money supply situation.

Meanwhile, the annual saving growth rate of Taiwan's whole money institutes registered 7.37 percent in June, down 0.09 percent from the month-earlier level. Lending and investment growth rate, on the other hand, reached 7.21 percent in the same month, down 0.97 percent from May's level, according to the Central Bank of China.

Taiwan: Five-Year Plan Drawn Up To Improve Commercial Climate

OW2407142696 (Internet) Taiwan Central News Agency WWW in English 0929 GMT 24 Jul 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, July 24 (CNA) — In line with the government's plan to build Taiwan into an Asian-Pacific business hub by the turn of the century, the Ministry of Economic Affairs has worked out a five-year project to improve Taiwan's commercial climate.

The five-year project came into being after a national commerce conference in November, in which the ministry decided to take effective measures to help upgrade development and functions of the business sector in accordance with the government's economic stimulus package and the 12 national development projects.

The five-year plan, which will target economic, social and cultural development, is a follow up to a series of programs by the ministry to promote automation and modernization of the commerce sector, ministry officials said.

The project will focus on upgrading the infrastructure and speeding renovation in business districts, according to the officials. It will also narrow the differences between urban and rural areas and take measures to conserve cultural heritage in order to create a better and pluralistic environment in society.

To achieve the goal, the officials said the ministry will coordinate with local governments, business groups and the public to fully promote the plan which requires a budget of about NT\$1.13 billion (U.S.\$41 million) and will be implemented in three phases.

They expressed the hope that a better commercial climate will help attract foreign investment and tourists for Taiwan. Increased contacts and exchanges with the international community will help the nation build a diversified society, thus further strengthen its international competitiveness, they added.

Taiwan: Council Warns of Damage to Agriculture From WTO Membership

OW2407143496 (Internet) Taiwan Central News Agency WWW in English 1234 GMT 24 Jul 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, July 24 (CNA) — Taiwan's entry into the World Trade Organization (WTO) will take a toll on the island's agricultural sector, a government agency warned in an evaluation report released on Wednesday [23 July].

The Cabinet-level Council of Agriculture (COA) reported that the agricultural sector grew an average of only 1 percent annually from 1983 to 1993, and forecast that the growth rate will slow further once Taiwan is admitted into the Geneva-based world trade regulatory body.

The domestic agricultural sector will face stiffer competition after the government liberalizes markets to meet WTO requirements, the COA said, adding that the competitiveness of local farmers will also be hurt by a more stringent conservation policy.

"Rather than enhancing Taiwan's competitiveness in the international market, the agricultural sector could emerge as a barrier to the desired goal," the COA said.

The report based its assessment on real agricultural growth rate, trade protection, the size of arable land, and

agricultural productivity — four of the eight categories used by Lausanne's International Institute for Management Development (IMD) to complete its annual World Competitiveness Report.

Noting that Taiwan ranked 32nd in the IMD's trade protection category, the COA forecast a rise in the rankings as the government either removes or lowers tariff and non-tariff barriers to the import of agricultural products.

"However, the elimination of this shelter will put the agricultural sector up against unfavorable conditions," the COA said.

In the category of arable land, Taiwan placed 41st in the IMD report with an average of 421 square meters per capita. The size of arable land is expected to fall because as many as 160,000 hectares of land now reserved for agricultural purposes is scheduled to be switched to industrial use in the years ahead, the COA explained.

In a press conference on May 20, Vice President and Premier Lien Chan pledged to enhance Taiwan's global competitiveness ranking from the current 18th place to among the top five before the turn of the century.

Since then, the Council for Economic Planning and Development, Taiwan's highest economic planning agency, has asked all government bodies concerned to conduct competitiveness evaluations.

Taiwan applied to join the General Agreement on Tariffs and Trade in 1990. GATT has since been succeeded by the WTO.

Taiwan: Rice Cracker Producer To Jointly Set Up Sake Factory in PRC

OW2407143096 (Internet) Taiwan Central News Agency WWW in English 0929 GMT 24 Jul 96

[By Lin Wen-fen]

[FBIS Transcribed Text] Taipei, July 24 (CNA) — Want Want Group, Taiwan's largest rice cracker producer, has joined forces with two Japanese firms to establish a sake factory in Shenyang in Mainland China.

Under the cooperation agreement signed on July 22, Want Want will hold a 93.5 percent stake in the joint venture of U.S.\$10 million, and the two Japanese firms, Ozawa Brewery Corp. and Meiwa Co., will have a combined 6.5 percent share.

Want Want is the second Taiwan enterprise to cooperate with foreign firms to make inroad into mainland's wine market, following the joint business between Nan Chow Group and a German firm earlier this year.

The sake factory, equipped with fully automated production lines, will become operational in 1997 with an annual output of 200,000 hectoliters.

Founded in 1962 in northeastern Taiwan, Want Want began producing rice crackers in cooperation with Japanese firms in 1983. The group expanded into mainland market in 1991 and has since set up several plants producing crackers, instant noodles, soft drinks, chocolates, and several other snacks.

Want Want, following Acer Group, was listed in Singapore's stock exchange on May 2. The group uses part of the capital it raises in Singapore to accelerate its investment in the mainland. Sake, a kind of rice wine, is the group's latest investment target in the mainland.

Mainland China's wine market is promising. For example, annual consumption of beer in mainland is the world's second largest, after only the U.S. However, its per capita consumption of beer is only half of the world average, promoting the Japanese, American and Korean firms to set up beer production lines there.

Taiwan: Taipei-Germany Trade Tops \$3 Billion in First Four Months

OW2407142096 (Internet) Taiwan Central News Agency WWW in English 0820 GMT 24 Jul 96

[By Lillian Lin and Danielle Yang]

[FBIS Transcribed Text] Bonn, July 23 (CNA) — Two-way trade between Taiwan and Germany topped U.S.\$3 billion in the first four months of this year, accounting for 25 percent of Taiwan's total trade with European Union countries, according to statistics released Tuesday by the Taipei Trade Office in Frankfurt.

Taiwan exported U.S.\$1.3 billion worth of goods to Germany and imported US\$1.7 billion worth of products from Germany during the four-month period, resulting in a balance of U.S.\$400 million in favor of Germany, the statistics showed.

Machinery and electronic products accounted for 65 percent of Taiwan's total exports to Germany, while handicraft, agricultural and other processed products accounted for 25-30 percent. Most of the imports were machinery equipment, auto and electronics products.

Germany remained to be Taiwan's largest trading partner among the 15-member European Union.

Taiwan: Industries Urged To Explore Business in Senegal

OW2407143396 (Internet) Taiwan Central News
Agency WWW in English 0929 GMT 24 Jul 96

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, July 24 (CNA) — Minister of Economic Affairs Wang Chih-kang said he hopes Taiwan manufacturers will target Senegal as a newly-emerging African market for Taiwan.

Wang made the remarks after meeting with visiting Senegal President Abdou Diouf, who called on Wang Wednesday [23 July] on strengthening bilateral ties between the two countries.

They later held an investment seminar at the ministry to allow Taiwan manufacturers to get more investment information in the northwestern African country. Diouf pleaded for more Taiwan investment in his country at the seminar.

Wang said Senegal is the political and economic center in the French language zone in northwest Africa. Senegal has good industrial infrastructure and is superior to other former French colonies there, Wang added.

Wang said Taiwan's enterprises are currently facing investment barriers such as skyrocketing land prices, rising labor costs, and growing environmental awareness, which caused labor-intensive and low value-added industries to relocate overseas.

The ROC [Republic of China] government is assisting manufacturers to lower production cost and obtain technology as well as establish their marketing network. He said he hoped Tawian manufacturers will familiar themselves with Senegal's investment climate through the seminar.

Diouf said Senegal has advanced fishing industry and exports a large amount of fishery products through its fishing agreements signed with foreign fishing companies.

In addition, Senegal exports cement, minerals, and cotton, Diouf said, adding that his country has a strong potential in mining, electricity, tourism, agricultural and canned food processing industries.

Taiwan: Lien Meets Kalmykiya-Khalmg Tangch Republic President

OW2407011296 (Internet) Taiwan Central News
Agency WWW in English 1009 GMT 23 Jul 96

[By Lin Wen-fen]

[FBIS Transcribed Text] Taipei, July 23 (CNA) — Vice President and Prime Minister Lien Chan on Monday meet with Kalmykiya-Khalmg Tangch Republic President Kirsan Nikolayevich Ilyumzhinov, saying that he is willing to visit the west Asia republic at an appropriate time in the future.

Lien told Ilyumzhinov that despite the geographic distance, the two countries should make efforts to strengthen bilateral relations, adding that actually people of the two have a blood-relationship.

Kalmykiya-Khalmg Tangch Republic is one the 23 republics of the Russian Federation. The country, located between the Volga River and Caucasus, was founded by followers of Mongol conqueror Genghis Khan who conquered central Asia in late 12th century.

Lien also asked Ilyumzhinov to convey his personal regard to Russian President Boris Yeltsin.

At the invitation of Mongolian and Tibetan Affairs Commission, Ilyumzhinov said that considering the historical links, he felt his country and the ROC [Republic of China] have already entered into an alliance "in spirit". Ilyumzhinov also expressed the hope that Premier Lien can visit his country to boost bilateral relationship.

Being responsible for helping Russia expand its international status, Ilyumzhinov said he is willing to push for the establishment of the Russian liaison office in Taipei.

Kalmykiya-Khalmg Tangch Republic is located southeast of Russian Federation, with a territory of 75900 square kilometers, about twice the size of Taiwan. Its population is around 330,000. Elista is the capital city of the republic with around 100,000 residents. The country is abundant in natural resources including petroleum and natural gas.

Hong Kong

Hong Kong: PRC Official Says No Residency for Stranded Dissidents

OW2507054896 Hong Kong AFP in English
0526 GMT 25 Jul 96

[FBIS Transcribed Text] Hong Kong, July 25 (AFP) — China will not allow mainland dissidents stranded in Hong Kong to gain residency in the territory after next year's handover of sovereignty, a senior Chinese official said late Wednesday [24 July].

Zhang Junsheng, deputy director of the Hong Kong branch of the official XINHUA NEWS AGENCY, China's de facto embassy in the territory, said the dissidents would be denied any status as residents.

"Those who illegally enter the territory before or after 1997, without valid documents, cannot be recognised," Zhang said, making China's first public statement on the fate of the dissidents.

He refused to say whether the dissidents would be repatriated to China after the mainland resumes sovereignty over Hong Kong on June 30 next year.

Hong Kong grants permanent residency to anyone who has lived in the territory for more than seven years but Zhang said this would not apply to dissidents.

His comments have sparked fears that dissidents who gained permanent residency prior to the handover could have their status revoked.

About 80 Chinese dissidents remain in Hong Kong and the British territory's government has appealed to several countries, including Canada, Denmark, France, Sweden and the United States, to take them in.

"We are interested to know what kind of name lists the British-Hong Kong government has given to foreign countries and on what basis these people have been allowed to stay in Hong Kong," Zhang said.

Canadian Foreign Affairs Minister Lloyd Axworthy told reporters early this week that he was asked by Hong Kong authorities to help Chinese dissidents who were stranded in Hong Kong.

He said his government would consider whether the dissidents could be granted political asylum in Canada.

Hong Kong: XINHUA Official Says Dissidents Not Allowed Residency

HK2507061296 Hong Kong HONGKONG
STANDARD in English 25 Jul 96 p 1

[By Baby Sung and Lily Mak]

[PTS Transcribed Text for FBIS] The 80 Chinese dissidents living in Hong Kong will never be granted permanent residency, even they fulfill the seven-year residency requirement [as received], China has made clear.

Their fate will be decided by the future Special Administrative Region government.

Xinhua News Agency Hong Kong deputy director Zhang Junsheng said yesterday that according to the Basic Law, people who wanted permanent residency should first enter Hong Kong with valid travel documents.

"Those who illegally enter the territory before or after 1997 without valid documents cannot be recognised," Mr Zhang said. "No matter how long these people stay in Hong Kong they are not eligible to be granted the status of Hong Kong permanent residents."

He also challenged Britain's effort to help the dissidents find sanctuary before the handover.

"We are interested to know what kind of name lists the British-Hong Kong government has given to foreign countries and on what basis these people have been allowed to stay in Hong Kong," Mr Zhang said.

He refused to say whether the dissidents would be repatriated to China after 1997.

The handling of the dissidents would be up to the SAR government.

Mr Zhang's comments sparked fears that even those who obtained permanent residency before the handover might have their status repealed.

The Preparatory Committee's legal panel has already said that mainlanders, including illegal immigrant mothers, who enter Hong Kong without proper documents, cannot obtain right of abode despite having lived in the territory for seven years.

An informed source told the Hongkong Standard yesterday that six Chinese dissidents who came to Hong Kong in 1989 would be granted permanent residency next month.

Another six were due to be granted right of abode before 30 June next year.

The source said dissidents would be in danger if their permanent residency was repealed.

Preparatory Committee member and Chinese University professor Lau Siu-kai said at present the Hong Kong government could refuse Chinese requests to send dissidents back to the mainland on political or humanitarian grounds.

But after 1997 the SAR government would not be able to refuse mainland requests to repatriate wanted people.

"The SAR should not take the risk of offering asylum to those who are considered anti-government," Prof Lau said.

"It is best if these political dissidents leave Hong Kong for Western countries before 1997, otherwise they would have to bear all possible consequences for staying behind in the territory."

Vice-chairman of the Hong Kong Alliance in Support of Patriotic Democratic Movements in China, Mak Hoi-wah, said it would be "very dangerous" for the dissidents if the SAR government revoked their permanent residency.

Hong Kong: Editorial on SAR Law To Decide on Dissidents

HK2507063296 Hong Kong HONGKONG
STANDARD in English 25 Jul 96 p 12

[Editorial: "SAR Law Must Handle Dissidents"]

[PTS Transcribed Text for FBIS] Hong Kong has long been a refuge for people who, for one reason or another, want out of the mainland system. The vast majority were unable to cope with the hardships. But there always have been a minority who slipped into Hong Kong for political or ideological reasons.

For a very long time the Hong Kong government handled this minority with utmost discretion, sometimes shipping them off to Britain or the United States. At other times such people—political refugees, asylum-seekers or dissidents as they are called these days—were given completely new identities, permanent residence, the wherewithal to start a new life and encouraged to be one of the faceless millions.

In the wake of the unfortunate Tiananmen incident there has been a tendency to be less discreet, as if to dare Beijing. Such bearding of the lion in his den has ensured that Beijing is constantly reminded of the presence of dissidents in Hong Kong. As the days roll swiftly towards next July's handover of sovereignty, getting these dissidents out of the territory has become more pressing. But the international climate has changed, the countries once prepared to offend Beijing are now eager

to come to terms and taking dissidents aboard is no longer seen as the done thing.

Unless Britain takes them all, a promise it appears to have made, there is a good chance that some of them will remain a few even qualifying for permanent residence before the handover.

Xinhua News Agency deputy director Zhang Junsheng appears to indicate that Beijing does not welcome them here though he has not said so in such direct terms. But some dissidents do admit to using Hong Kong as a base from which to woo other mainlanders to their cause — it is unimaginable to believe that Beijing would take kindly to this after the handover.

But Mr Zhang has made the point that the final decision will be made by the Special Administrative Region government. That has to be the case if Hong Kong is to live up to that "special" appellation. More, the SAR government must be allowed to decide in accordance with the law.

And not just in accordance with the law, but also keeping in mind current practices in regard to refugees, political or otherwise. In this, as in other matters, Hong Kong's interests must come first.

Hong Kong: Spokesman Says China Flexible on Hong Kong Consular Matters

OW2407124796 Beijing XINHUA in English
1234 GMT 24 Jul 96

[FBIS Transcribed Text] Beijing, July 24 (XINHUA) — A Chinese Foreign Ministry spokesman said here today that agreements between China and Papua New Guinea and Western Samoa on consular and visa matters for Hong Kong will favor both the region and the two countries.

According to the spokesman, agreements on retaining Papua New Guinea and Western Samoa's consular offices in Hong Kong after 1997 and on the mutual exemption of visas between them and the HK Special Administrative Region (SAR) were reached during Chinese Vice-Premier and Foreign Minister Qian Qichen's recent visit to the two nations.

In response to a question on this issue here today, the spokesman said, "These agreements were reached through friendly consultations and will serve the promotion of the economy, trade, and the travel industry of Hong Kong and the two nations, as well as the personnel exchanges, favorably."

The spokesman pointed out that more than 90 countries have consular offices in Hong Kong, and over 170

countries and regions have a mutual exemption of visas with the region.

China has always had an active and flexible attitude towards retaining consular offices in Hong Kong and the mutual exemption of visas between Hong Kong and foreign countries after 1997, he noted.

He said that China is willing to hold friendly consultations with relevant countries to find a simple solution to the issues. He said he also hopes that the relevant countries will consult with China as early as possible to achieve a proper and satisfactory settlement.

Hong Kong: XINHUA Hong Kong Officials Meet Major General Liu Zhenwu

OW2507093696 Beijing XINHUA Domestic Service in Chinese 1343 GMT 18 Jul 96

[FBIS Translated Text] Hong Kong, 18 Jul (XINHUA) — Persons in charge of XINHUA Hong Kong Office yesterday met with Major General Liu Zhenwu, commander of the People's Liberation Army (PLA) unit to be stationed in Hong Kong, who is currently on a visit to Hong Kong. Those attending the meeting included XINHUA Hong Kong Office deputy directors Zheng Guoxiong, Qin Wenjun, Zhang Junsheng, and Zhu Yucheng.

The meeting was held at the XINHUA Hong Kong Office building. Liu Zhenwu said he was very happy to visit Hong Kong for the first time and that Hong Kong deeply impressed him.

After the meeting, XINHUA Hong Kong Office and the Chinese representatives office of the Sino-British Joint Liaison Group jointly hosted a banquet for Maj. Gen. Liu Zhenwu.

XINHUA Hong Kong Office Secretary General Yuan Pengyan, and Zhao Jihua of the Chinese representatives office of the Sino-British Joint Liaison Group attended the meeting and banquet. Also attending the meeting and banquet were Dai Changshi, director of the Hong Kong Visa Office of the Chinese Foreign Ministry, and persons in charge of other departments concerned.

Yesterday was the second day of Liu Zhenwu and his party's visit to Hong Kong. Liu Zhenwu visited the military installations in the Shek Kong Camp and Ngong Shuen Chau Naval Base of the British troops in Hong Kong.

Liu Zhenwu said during his visit that the PLA unit to be stationed in Hong Kong will use deeds to demonstrate the PLA's image of might and being civilized. He expressed the belief that Hong Kong compatriots definitely will understand the People's Army's nature and purpose.

Hong Kong: Editorial on Lack of Progress at ASEAN Meeting

HK2507060196 Hong Kong SOUTH CHINA MORNING POST in English 25 Jul 96 p 14

[Editorial: "Forum: For Dissent"]

[PTS Transcribed Text for FBIS] The idea behind the ASEAN Regional Forum was to facilitate a dialogue with regional and world powers over security issues. But with its size now swelled to an unwieldy 21 members, following China, Russia, and India's admission as dialogue partners, this week's meeting in Jakarta has been more notable for bickering than discussion.

First came European Union concern at the Association of Southeast Asian Nation's (ASEAN) over-hasty embrace of Burma, despite its recent crackdown on supporters of opposition leader Aung San Suu Kyi. That provoked an angry backlash from ASEAN nations unhappy at being lectured on their home turf.

Another east-west row surfaced when Europe and the United States pushed for workers' rights to be included on the World Trade Organisation's agenda, in a not-so-subtle attempt to undermine the competitive advantage Asia enjoys due to its lower labour costs. Indonesian Foreign Minister Ali Alatas promptly blocked any discussion of the issue. Nor have the ASEAN states had any success in persuading nuclear powers among the dialogue partners to accept their plan to make Southeast Asia nuclear weapons-free. Beijing's recent extension of its maritime boundaries in the South China Sea also brought criticism from Asian nations. But, at least on this issue, there was some progress when Beijing agreed to discuss the matter.

Despite its admission to the regional forum, Beijing's relations with ASEAN remain in flux. Mainland academics say China values the organisation as a check on U.S. influence in the region. But, as shown in Vietnam's recent rush for membership, others now view ASEAN as a counterbalance to Beijing's growing economic and military clout.

Amid all the arguments, ASEAN seems to remain unclear on what its role should be following the disappearance of the communist threat that was the original reason for its existence.

Hong Kong: Preparatory Committee To Hear Democrat View

HK2507053596 Hong Kong SOUTH CHINA
MORNING POST in English 25 Jul 96 p 6

[By Catherine Ng]

[PTS Transcribed Text for FBIS] Leading Democrats have their first encounter with a Preparatory Committee member today, in their attempt to let the handover body hear their views.

Xu Simin, a committee member and veteran pro-China figure, has invited Democratic Party chairman Martin Lee Chu-ming and vice-chairman Anthony Cheung Bing-leung to listen to their ideas on the People's Liberation Army (PLA) garrison at a lunch today.

The party had sent their proposals on the stationing of the PLA to all committee members and Chinese officials.

Mr Xu, who sits on the Chinese People's Political Consultative Conference standing committee, said he had yet to study the proposal, but was willing to talk more with the Democrats.

"If the proposal is comprehensive and well-intentioned, we can have further talks. If not, there cannot be any further discussion," he said. He added that the Basic Law already laid down the framework for legislation. "No contravention of the Basic Law will be allowed," he said.

The Democrats recommend the use of common law when drafting the PLA legislation. A civil court, instead of the military one, should have jurisdiction. "It is only when the civil court does not accept and hear the case, or when the case is entirely a military business, it should be given to the military court to handle," the party's submission said.

A party member said they had submitted proposals on policies or political affairs to all the 150 committee members and Chinese officials. But it was the first time they had received a formal response, he said.

It is expected the draft will be studied by the Chinese National People's Congress at its full meeting next March.

Mr Xu said he would inform other senior NPC members in the committee of any valid points from the Democrats.

Mr Cheung said: "Our proposal is pragmatic. It is a result of serious and lengthy research about the British, Chinese and Hong Kong systems. It doesn't aim to be confrontational."

Hong Kong: Editorial Warns of Danger in Setting Up 'Shadow' Elections

HK2507055796 Hong Kong SOUTH CHINA
MORNING POST in English 25 Jul 96 p 14

[Editorial: "Shadow Play"]

[PTS Transcribed Text for FBIS] The burgeoning race to be regarded as the people of Hong Kong's unofficial choice for chief executive ought to be a straightforward and open affair. The objective is, after all, to show that the official campaign in the Selection Committee is not representative of the population as a whole. The danger for the democratic camp is that it seems to be preparing for two or more competing elections which promise to reduce the value of the exercise.

Emily Lau Wai-hing has talked of a drive to collect at least 200,000 signatures to support her nomination, while the Democratic Party plans to campaign for a candidate of its own, probably legislator Szeto Wah. That might be fine if these were nominations for the same "shadow" post, with the candidates competing against one another in a mock election. Instead, we are likely to end up with two or more self-proclaimed popular leaders with overlapping lists of signatures. It would be hard to defend the nominees against the charge of preliminary electioneering for the 1998 Legislative Council polls.

Ms Lau and the Democrats would do better to hold a shadow election in which they were prepared to throw the race open to all comers, particularly candidates from pro-Beijing parties. Best of all, they should invite the front-runners from the official selection process to take part.

It is hard to imagine the official candidates taking up the challenge, just as it is unlikely that either Ms Lau or Mr Szeto would throw their hats into the Selection Committee ring. But what should be possible, if those involved so wish, is a genuine shadow election, in which all those with a claim to be representing at least a portion of democratic opinion feel free to take part. It would be a test of the mettle not only of Ms Lau and Mr Szeto, but also politicians with more nuanced views such as Christine Loh Kung-wai, Frederick Fung Kin-kee of the Association for Democracy and People's Livelihood, or supporters of Beijing.

Hong Kong people would have a chance to decide for themselves who speaks for the majority. And China, instead of seeing the contest as an attempt to undermine the chief executive and accusing Ms Lau and the democrats of "illegal" breaches of the Basic Law, should have the confidence not to be ruffled by these projects.

Hong Kong: Article Says Economic Interests Guide U.S. Policy on HK

HK2507061796 Hong Kong SING TAO JIH PAO in Chinese 25 Jul 96 p A17

[Article by U.S.-based reporter Shih Nai-te (2457 1143 1795): "With Economic Interests First and Foremost, the United States Refuses To Help the Legislative Council Straddle 1997"]

[PTS Translated Text for FBIS] Briefing the U.S. Senate on Hong Kong affairs last week, Winston Lord, assistant secretary of state for East Asian and Pacific affairs, said that the U.S. Government would fully support Hong Kong's freedom, prosperity and stability after 1997 and that Hong Kong people should decide their fate under the rule of law.

As instructed by President Clinton, however, Lord did not support an important point related to Hong Kong's future — a four-year term of office for the present Legislative Council.

Lord revealed that U.S. support for Hong Kong is conditional, which means it is difficult for the United States to match its words with action.

At the briefing, Lord refused to make "legal objections" over the actions taken by the Chinese side to disband the existing Legislative Council and replace it with the provisional legislature.

Lord explained that since the United States was not a signatory to the Sino-British Joint Declaration, it was not in a position to make any comment. In particular, when China and Britain had not explained their own respective legal views, he said, it was "inappropriate and premature" for the United States to issue any statement.

Lord's stand reflects the following three points:

1. If the Chinese side takes action to violate an international treaty it has signed (the Sino-British Joint Declaration) to disband the existing Legislative Council, the United States can do nothing to stop it.
2. The United States will consider dealing with the issue of the Hong Kong Legislative Council only after it has obtained advice from London.
3. The United States will definitely not harm its relations with China simply because of the issue of the Hong Kong Legislative Council.

Lord pointed out: If the Chinese side disbands the existing Legislative Council, it will be making a "serious mistake." And he also stressed: The United States has huge economic interests in Hong Kong, and the U.S. Government naturally does not want them to be harmed.

Perhaps the second factor — U.S. economic interests — might eventually affect U.S. policy toward Hong Kong.

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